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Editorial AS WE SEE IT

Sporadic loss of gold, coupled as it has been with the continued existence of conditions which threaten our international balance of payments, has again stimulated discussion of our gold position and the possibility of the development of a situation which would, so it is thought, require some sort of special treatment. What realistic economists have had to say for the most part deals with the broader questions of our international balance of payments, but there has also been considerable discussion of our gold stock, the threat to its adequacy (so it is thought) and possible ways of protecting our still large horde of that metal.

It has not been very long since the Subcommittee on International Exchange and Payments of the Joint Economic Committee of Congress published its findings on "International Payments Imbalances" in which the question was raised of reducing or removing entirely the gold reserve requirements of the Federal Reserve banks. In general, the whole matter often seems to turn in many minds upon the question of the adequacy of our gold stock.

The main trouble with official thinking on this general subject seems to be a misunderstanding of the role gold is supposed to play, or at least used to play, in international financial affairs. This misunderstanding leads to rather foolish notions about the "adequacy" of our gold reserves or the gold reserves of any nation, for that matter. It seems to be supposed that gold reserves, like so much wheat or cotton or steel, are to be used merely to fill up the gap otherwise left between receipts and payments on international account. Of course, such a concept is quite out of accord with the facts—or at all events with the facts of any really free economy. The loss of gold in substantial amounts when the gold standard was in effect naturally gave rise to changes in both the exporting and the importing country which tended to remove (and in normal circumstances actually did remove) the causes of the loss of gold, and thus restore international balance. *(Continued on page 32)*

American Bankers Association Holds 87th Annual Convention

Four-day bankers' meeting devotes equal emphasis to pressing international and domestic economic matters and concerns itself, also, with what banks can do to help strengthen the economy and, further, with measures to improve bankings' services. The business side of the meeting advances Sam M. Fleming to Presidency, and elects M. Monroe Kimbrel as Vice-President and J. Carlisle Rogers as Treasurer. Principal speakers, whose full texts are published in this issue's coverage of the Convention, include Secretary of the Treasury C. Douglas Dillon; Dr. Roy L. Reierson, Senior Vice-President of Bankers Trust Company; George Champion, Board Chairman of Chase Manhattan Bank; and Hon. Thomas B. Curtis. ABA has record membership of 17,536.

The 87th Annual Convention of the American Bankers Association was held in San Francisco, October 15-18, 1961. The meeting took full cognizance of the current sobering influence of West Berlin's crisis, U.S.S.R.'s unilateral resumption of atomic test explosions and boastful economic challenge to private types of capitalism laid down by Khrushchev at the 22nd Congress of the Soviet Communist party, emergence of our economy into recovery with a larger 1962 fiscal year deficit than anticipated before the Berlin crisis, and disquieting thoughts about our balance of payments and dollar-purchasing power as well as problems pertinent to creating better banking services. Invited speakers, headed by the Secretary of the Treasury, and resolutions passed by the bankers dealt with the above current event topics. They also stressed the need for fiscal discipline, better Federal debt-management, maintaining confidence in the dollar, and equal tax treatment of financial institutions. Attending the annual meeting were more than 9,000 registrants, including bank officers from all 50 states, and a number of foreign countries. As of August 31, 1961, the American Bankers Association reached a record membership of 17,536, representing 98% of the nation's commercial banks, and 96% of all banks—both commercial and mutual savings banks.

Sam M. Fleming

New Principal Association Officers

Sam M. Fleming, President of the Third National Bank in Nashville, Tenn., was elected President of The American Bankers Association at the First General Session of the 87th Annual Convention of the Association. Mr. Fleming was advanced from the Vice-Presidency of the Association and is the successor to Carl A. Bimson, President of the Valley National Bank of Phoenix, Ariz.

M. Monroe Kimbrel, Chairman of the Board, First National Bank, Thomson, Ga., was elected Vice-President of the Association.

J. Carlisle Rogers, President of The First National Bank of Leesburg, Fla., was elected Treasurer of the Association for 1961-62. Mr. Rogers succeeds I. F. Betts, President of the American National Bank of Beaumont, Texas.

President Elect's Acceptance Remarks

Sam M. Fleming, upon his inauguration as President at the Second General Session of the Convention, October 18, 1961, stated:

I am deeply grateful for the opportunity and honor of serving as President of The American Bankers Association. In accepting this high office, I am fully aware of the responsibilities that go with being the spokesman for banking. Indeed, I feel very much the same as a year ago when I quoted the prayer of a minister who, in taking over a new church, said: "Dear Lord, please don't give me any problems which *(Continued on page 39)*

American Bankers Association Convention Issue

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

This Week's Forum Participants and Their Selections

Western Gold & Uranium — William L. Dewart, Analyst, John Muir & Co., New York City. (Page 2)

Laboratory for Electronics—Hugo Kappler, Jr., Research Dept., Boenning & Co., Philadelphia, Pa. (Page 2)

WILLIAM L. DEWART

Analyst, John Muir & Co., New York City

Members: New York Stock Exchange; Associate Members, American Stock Exchange

Western Gold & Uranium

Western Gold and Uranium was incorporated in Nevada in January 1944 as Western Gold Mines Inc. The present title was adopted in July 1953.

In 1957 the remaining interest in Golden Crown Mining Co. was acquired and later merged in August 1, 1957.

William L. Dewart

The company owns and operates the Orphan Uranium Mine and the Grand Canyon Inn both located on the only privately owned rim land (20 acres) in Grand Canyon National Park, Arizona.

In January 1961 a bill was reintroduced into Congress under which the company would agree to the eventual transfer of the Orphan Mine site to the National Park service in exchange for the right to mine all minerals beyond the company's claim limits contiguous to their property.

Under a purchase agreement with Rare Metals Corporation subject to the passage of 5773 by the House the company can ship as much as 8,300 tons per month of ore to the Tuba City Arizona Mill.

Also Rare Metals, which operates the mill at Tuba City at which the Orphan Mine ore is treated, will construct a carbonate leach circuit which will eliminate the additional cost of acid which is consumed due to excess lime; and thus result in an important saving of as much as $300,000 per year.

Rare Metals has completed negotiations with the Atomic Energy Commission, for extension of its mill contract to the end of 1966. The Orphan Mine is its primary source of supply for the mill.

Oil and gas rights (including helium) are leased on about 3,200 acres in the Carrizo-Dome area of Arizona and 12 gold placer claims and three lode claims on Weaver Creek, Arizona are leased with option to purchase.

Other properties include the Silver Reef Mill in Utah which has been leased to United Technical Industries of Salt Lake City.

There are inactive silver reserves and an alunite property near Marysvale, Utah, a copper mine at Stoddard, Utah and a copper-lead-zinc-gold-silver prospect at Humboldt, Arizona.

In the fiscal year ended Jan. 31, 1961 net sales were $2,532,959 compared with $1,520,832 in the previous year, or an increase of 67%.

Negotiations have been completed with a U. S. and a Canadian mining company for joint exploration and development of the Brown-Henderson property near Humboldt, Arizona.

In June 1961 it was announced that directors were considering the construction of a 600 room hotel on the South Rim of Grand Canyon to replace the Grand Canyon Inn Motel. The building of such a hotel is subject to the company not obtaining the right to mine the ore adjacent to its property.

The new President of Western Gold & Uranium (name soon to be changed to Western Equity Corporation) is Lee Ackerman of Phoenix, Arizona who was mentioned prominently in the Sept. 30, 1961 edition of The *Saturday Evening Post* article entitled "The New Millionaries of Phoenix."

Mr. Ackerman is a former wartime transport pilot. He has been a most successful real estate operator in Arizona which is now the nation's fastest growing state percentagewise.

The latest action of the Board was the approval of the acquisition of Lee Ackerman Investment Co., Inc. of Scottsdale, Arizona through the issuance of 200,000 shares of treasury stock.

It is the intention of the management to begin immediately expanding the holdings of Lee Ackerman Investment Co. in both income and non-income producing properties under the direct supervision of Mr. Ackerman. The present assets of that company consist of holdings in real estate and stock in a Western insurance company.

The offices of the company will be moved from New York to the Guaranty Bank Building, Phoenix, Arizona, effective Nov. 1.

The stock is actively traded on the American Stock Exchange.

Authorized capital stock is 4,000,000 shares, of which 1,660,036 are presently outstanding. Also outstanding are warrants to purchase 29,925 shares at $3.33⅓ each; and options to purchase 1,835 shares at $4.50 each and 3,500 at $4.00 each.

Current assets as of July 31, 1961 were $653,348.70 against $108,954.17 of liabilities. Cash items aggregated $472,146.48.

Long-term debt totals $21,391.

In summation I believe that the above outlined well diversified program offers a most attractive speculative appeal for this low priced stock.

With the present and future growth in the use of atomic power, the demand for uranium should increase tremendously. Also there are many research projects in medicine, chemistry, metallurgy and other fields which could make this the wonder mineral of the future.

Diversification in other companies has brought about some outstanding results and a young aggressive proven management should reflect great progress along this line.

HUGO KAPPLER, JR.

Research Department, Boenning & Co., Philadelphia, Pa.

Laboratory for Electronics

Laboratory for Electronics, which plans to apply for listing on the New York Stock Exchange early in November, has all the necessary ingredients to become one of the great companies in the electronics industry. These ingredients are outstanding management, diversity of growing products, a strong research - and - development program and, most important, the ability to earn money. The management of LFE is continually trying to improve on its past record and is on the lookout for companies with a strong technological background that will fit into LFE's future. The price of LFE stock, however, scarcely reflects this; it has dropped from a high of about $72 a share to its present price of $36 a share.

Hugo Kappler, Jr.

If the proposed merger of LFE with Tracerlab (approved by stockholders and directors of both companies it should be effective by October 30) is carried through, the company will have three divisions: (1) LFE Electronics; (2) Eastern Industries; and (3) Tracerlab. The LFE Electronics division is divided into smaller divisions: Monterey Laboratories, Systems, Computer Products, and Instruments. Of these, the Systems Division, which supplies the all-weather Doppler self - contained navigational unit for Republic Aviation's F-105 is, by far, the largest, accounting for about 60% of LFE's business.

The F-105 fighter bomber, described as a "missile with return capability," is scheduled for production through 1964, and the chances of its production being extended beyond that period are good. If, however, production of the F-105 is cancelled in 1964, the management of LFE is confident (1) that new applications of LFE's navigational equipment will largely offset loss of the F-105 sales and (2) that the sales growth of LFE, internally or through acquisitions, will reduce its dependence on the F105 contract. When this year's letter contracts are fulfilled, LFE's backlog of sales of Doppler units will amount to about $35,000,000.

The Doppler system is one of the most sophisticated electronic developments in manned navigation. LFE's reputation in the development of Doppler units has to be weighed heavily in any evaluation of LFE's stock. A new outlet for the Doppler system may be the Navy; LFE has just received, for example, a Navy contract for a prototype system for use in aircraft for anti-submarine warfare. Shortly, LFE will be competing with another firm for sale of Doppler units (the contract will be quite substantial) for use in French helicopters. LFE's management also feels that LFE's navigational system will be adopted for use in space exploration.

Sales of the Bernoulli Disc, a proprietary item of LFE's Computer-Product Division, are now picking up; interest shown from "bids and quotes" indicates that sales might run to several millions of dollars in a year or so. The Bernoulli Disc, an information-storage device, is the smallest and lightest rotary storage system ever developed. Besides their government applications (as in some satellites), these discs have wide commercial applications. The company's Rastad System is the most advanced information - display equipment available; it permits instantaneous viewing of random

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

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Silver in the Limelight

By Melchior Palyi, Chicago, Ill.

Rampant speculation in silver in the past twelve months or so is contrasted with the question as to whether the stock market has already discounted the rise in silver. Dr. Palyi outlines the reasons why speculation in that commodity "is fraught with hazards." Looking a year or two ahead, the monetary expert warns that a rising silver price may be disciplined by a consequential increase in supply from both production and existing pent-up hoards. Explained are the reasons for the rapid depletion of free Treasury silver, the present stagnation in production, and the sources of growing demand.

Shades of William Jennings Bryan

For three generations, silver was in the economic doghouse. Its debacle started in 1873, when Bismarck changed the German silver currency system to the British type of gold standard and threw substantial quantities of demonetized silver on the market. Holland, Austria, and the Scandinavians adopted the same pattern; in 1874, the free coinage of silver was suspended in the Latin monetary union which included France, Belgium, Switzerland, Italy, Spain, etc.

Dr. Melchior Palyi

The suspension in 1892 of rupee coinage in India was the next blow. In due course, Mexico and China completed the process of silver's *de facto* demonetization. There was simply too much of it, cropping up as a by-product of the base metals, while the monetary demand dried up and huge quantities of coins were melted down for commercial use. The great depression tolled the proverbial death knell. Forty million ounces were thrown on the market by India alone. The price ratio between silver and gold tumbled from the historic 1:15½ to below 1 to 100. In the U. S., a ratio of nearly 1:40 has been maintained to this day by Federal subsidy: the Treasury must buy the domestic product at 90½ cents and must not sell it under 91 cents per fine ounce.

"Revolution" on the Silver Market

With a vengeance, the silver subsidy boomeranged. The U. S. Treasury's selling price, that was supposed to constitute the floor, became the ceiling. It determines the world market value of the metal — as long as the government's "free silver" pile lasts (sold at 92¾ cents per ounce at the New York mint). It was down to 123.5 million ounces at the end of 1960; below 65 million eight months later; at 54 million ounces in early October. At this rate, it will be exhausted before mid-1962. What that heralds, seems clear, when in 1960 the production of barely over 200 million fine ounces had to satisfy a demand of 320 million ounces. What has brought about this complete reversal of the situation, from over-supply to a production deficit?

For one thing, production has been virtually stagnant. Old mines have dried up; Bunker Hill, as an example, the greatest producer in this country, has come (supposedly) to the end of its ore reserves. The low price has discouraged new investment in silver mines—but helped to encourage the demand for silver. And the demand keeps growing by about 20 million ounces a year. It comes from three main sources.

(1) The Orient still hoards silver. In the period from 1886-87 to 1947-48, on balance, 3,010 million ounces were absorbed by India alone (including Pakistan and Burma), more than in all known previous history.* This rate of absorption had slowed down to 94.5 million ounces in the five years ending mid-1948, the latest figure available—which may be a sign of popular disappointment over the seemingly hopeless performance (until World War II) of the silver price. Its upturn may boost again silver's status as a favorite hoarding medium in underdeveloped countries.

(2) More significant is at present the fact that throughout the Western world the demand for hard coins has been rising; it reached 95 million ounces in fiscal 1960. The United States leads by far; at face value, $48 million worth of new coins with substantial silver content were added (net) to the nation's "stock" in fiscal 1958; 53 million ounces in fiscal 1959. The spread of sales' automats are a major factor, here and abroad.

(3) A most spectacular expansion of demand for silver originates in the industrial field; especially so, in the electronic and chemical industries. As a conductor, silver is far superior to copper and practically irreplaceable in many usages; so it is in photography, in brazing alloys, etc., besides the arts.

The critical moment will arrive when the U. S. Treasury's free silver reserve will be exhausted—in 1962, presumably. Of course, Uncle Sam holds $1.7 billion ounces of silver as "security" (valued at $1.29 per ounce) against the outstanding silver certificates. There is talk about possibly converting those into Federal Reserve notes and let the Treasury sell the metal. But the Congress would scarcely agree to that, if at all, unless at the book value of $1.29. And the Administration has apparently promised the Senators from the silver states that no more ceiling will be imposed. The obvious conclusion is that the price of silver should be upward bound. By 1960, the international speculation caught up with this

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*Estimate in *Reserve Bank of India Bulletin* of April, 1958. Virtually all of India's silver is privately owned.

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OBSERVATIONS...

BY A. WILFRED MAY

THE SATELLITES' DARK AREA

PART FIVE—Concluding a series based on the author's recent visit in Hungary

Rabbits blown up by unsuspected newly laid mines near Neuseidler See, the Hungary-Austria border lake. Would-be escapees hemmed in by additional barbed wire fencing. An extra set of special police cards, *Egarsolvarn*, to enforce a new 7 p.m. curfew. These are some of the physical manifestations, typically occurring in the County of Vas near Hungary's western frontier, of the farm population's unceasing dissatisfaction with Collectivization.

Likewise demonstrating the unhappiness over the *Collective* is the large and growing exodus in the opposite direction, that is, to the industrializing cities—aggregating 950,000 over the past six years. This exodus has continued in the face of positive inducements, as radio equipment, to remain; and of obstructions, as the withdrawal of work permits for the young villagers' jobs in the cities.

The regime alibis that this migration is centered in the youth, and similarly characteristic of their dissatisfaction with farm life in the U. S. and other capitalistic countries, and hence has no relationship to *Collectivism.* This excuse is valid only in small part, for it contradicts a number of important facts. The successive major drives to collectivism since the Communist "Liberation" in the mid-forties have required the most ruthless accompanying "policing" to force it on farmers who have registered so vigorously their preference to live out their existence on their own little acres.

Again, there is the significant factor of production failure, which has both contributed to, and resulted from, the collectivist's unhappiness. Hungary's grain harvest last year showed a drastic drop from the previous year. Wheat, rye, corn, and barley are shown by the official figures to have suffered declines. As a result wheat imports have trebled since 1958.

The other major excuse for the Hungarians negative results from their now 80% collectivised or state-owned land is the "growing pains" thesis: "more time is the only thing needed." But this rationalization is completely invalidated by the negative results in the U.S.S.R. over the past 45 years; and in the other satellites since.

The collectives' bad times in Hungary are significant in supplying additional evidence to the inescapable conclusion that the communal system cannot function in the food-growing area. Witness the Soviets' continuing failures as openly proclaimed in the past, as by Khrushchev in February; and again last week at the Kremlin's Party Congress in disclosing that the USSR's farm prooduction is still inadequate for consumer needs, with specific shortages of meat and dairy products. Similarly Red China whose collectivists have been at it for quite a while. This month she was forced to make large purchases of grain from Canada and Australia; marking the third successive year of that collectivized nation's need for outside buying.

Also in Czechoslovakia the great weaknesses of collectivism were set forth last February by Minister of Agriculture Strougal. He reported that agricultural production had completely failed to come near its goal set in the 1956-1960 plan. Loss of grain production he largely attributed to worker indifference, and careless handling and storage.

And the Hungarian situation itself in the view of objective observers, as well as the above-cited production record actually shows deterioration over the past two years.

Reasons Deep-Rooted

As demonstrated in Hungary, the reasons for this Communist frustration are deep-rooted and varied. Evidencing nonextinguishability of human independence in this sphere was the on-the-spot experience in September of a group of 20 visiting American farmers in finding that the *machinery*, although not as varied and "fancy" as in the United States, or Belgium, is extremely good—in sharp contrast to the *morale* of its users.

That Knotty Incentive Problem

The individual's preference for independence is vividly highlighted by the great efforts he displays on his own small private plot which he is permitted to retain concurrently.

There appears to be continuing revelation that farming is particularly unsuited to Communism's basic credo of rewarding each according to his needs—even with the accompanying incentive technique. While the incentive provided for the industrial worker (as described in this space last week) may be meeting with some success, this is not so on the farm. This was also attested to by Mr. Khrushchev earlier this year when he blamed the Soviet failures in agriculture on the difficulties encountered in rewarding the diligent peasants satisfactorily in comparison with their less productive fellow workers.

The Hungarian Government, in discussing the agricultural shortcomings on the radio last December included the following reason (along with the weather): "It must also be said that in certain collectives the members showed lack of concern for communal production, while their families failed to take any part in the work of the collectives."

Apparently a variety of factors endemic to farm work add to the inescapable communal difficulty of simultaneously incentive-ating the diligent and penalizing the lazy.

"Life on the Farm"

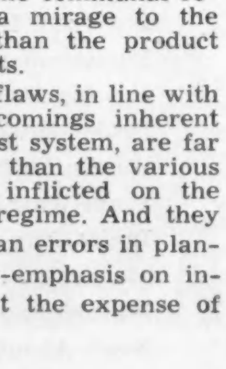
This conclusion is strongly substantiated by the collectives' incentive system in Hungary—as examined by us at the Kossuth Cooperative near Budapest, which was founded 10 years ago. The worker's pay, via a system of quantitative work units geared to the farm's planned or "goaled," output, gives him a weekly wage. At the end of the year this is adjusted for a profit excess over, or deficiency beneath, the goal figured on the recorded net profit. Such "net" is calculated after deductions for materials purchases; and for a micellany of "production expenses" including items ranging from reserve for capital expenditure, to tax, to insurance premiums; the total of both deduction categories averaging some 19%.

To this observer, this system seems to suffer from (1) an ineffective speed-up technique; and more crucially from (2) the incentive's total pool's removal from the worker's control or efforts; because the profit is based on selling prices and arbitrarily fixed expenses deductions, and on the collective's *over-all* production. The target and the communal result constitute a mirage to the laborer rather than the product of his own efforts.

Such interent flaws, in line with the basic shortcomings inherent in the Communist system, are far more significant than the various specific abuses inflicted on the farmers by the regime. And they go far deeper than errors in planning, as in over-emphasis on industrialization at the expense of agriculture.

Russell Joins AF-GL in Boston

BOSTON, Mass.—The appointment of Chas. B. Russell as Boston office manager of public relations for Albert Frank-Guenther Law, Inc. was announced by Gilbert E. Busch, Vice-President and Director of public relations of the national advertising and public relations agency.



Charles B. Russell

Mr. Russell, was formerly associated with Maxon, Inc. advertising agency in the New York office and with advertising agencies in Dallas, Texas. He has also served on special assignments with the State Department and as advertising and public relations director for Baird Atomic, Cambridge, Mass.

Newlyweds Should Save And Invest in Bank Stocks

By Roger W. Babson

Mr. Babson combines financial advice to newlyweds developing a savings and insurance program with tips on what to look for in investing in bank stocks. Were a depression to occur, he concludes, "bank stocks may be in a stronger position than perhaps any other category of stocks."

My column today is addressed to young people getting married, or to those in a position to advise couples starting out in life. Newlyweds should place at least a part of their joint savings, after buying essential furniture, in straight life insurance. When they are young, they can get such insurance without difficulty and at a moderate rate. Next, I recommend building up credit and establishing good will at a local bank. It is a wise move to rent a small safe-deposit box for jewelry and important papers, including wills. Don't forget to make wills, even if you haven't much capital.

Bank Accounts Valuable

It is important to keep a reasonable deposit in your local bank for emergencies,—and a portion for possible later investment when conditions are less clouded and you have more funds. After you put money in the bank, don't withdraw it until the proper time comes, and then only after careful consideration. Think of your bank account as sacred, not to be disturbed except for these preconsidered contingencies.

The young may think the idea unimportant, but there is no better way of building up a reputation for thrift, honesty, and hard work than by starting a bank account and **making regular deposits.** Become acquainted with an officer of the bank and speak to him every time you go in, so that he will come to know you and will be able to give you a good reference if you need one. Getting to know bank officials can be as valuable to you as your bank-account interest payments.

Banks Today Are Safe

During the bank closing emergency in the 1930's practically all the weaker banks were done away with, so that financial institutions today are in a safe and profitable position. This brings me to the question of bank stocks, which I recommend as an investment . . . particularly the stock of your local bank with which you do business. Practically any local bank could be liquidated for more than its published assets, so that you as a stockholder would probably get more than you paid for your shares. Five or ten shares of such stock would probably be one of the very best investments for a young married couple.

Investing in Bank Stocks

If you are going to put more than a moderate sum into bank stocks it would be wise to get the Annual Reports from at least two or three banks and go over them carefully. Any bank will give you an Annual Report, whether you are a customer or not, and in most states these reports must be published in the papers every year. After my father's death, I recall finding a scrapbook in which were pasted all the Annual Reports of our hometown Gloucester banks, clipped from the Gloucester Daily Times.

Most people look for the bank with the largest deposits, but let me give you a hint about this. When bankers talk to me about their "large deposits," I always say, "Well, you certainly owe a good deal of money!" Because it should be realized that a bank's deposits represent money that must be paid back to the depositors sooner or later. Therefore, when appraising bank statements, be sure to subtract the deposits from the total assets to find out what would be left for the stockholders.

Look Behind the Scenes

In considering bank stocks, always check up on the character, integrity, and ambition of the men in charge of the bank's operations. Be sure that the officials are in good health, and that their judgment is sound. It is a good sign if they are churchgoing men. It is, of course, an extremely bad sign if they are addicted to liquor or indulge in known excesses.

It is worth while to know the qualifications of the bank directors. Be sure, for instance, that these men have not taken their positions as a mark of distinction rather than as a responsibility. Of course, the bank's assets are under the constant supervision of regular examiners, so there need be little worry on this score. Hence, if a depression strikes, I feel that bank stocks may be in a stronger position than perhaps any other category of stocks.

With Hornblower & Weeks

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Victor H. Gerali has become associated with Hornblower & Weeks, 650 Seventeenth Street. He was formerly with Peters, Writer & Christensen, Inc.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

In its national summary of business conditions for October the Federal Reserve Bank of Washington, D. C., comments that industrial production was curtailed slightly in September, mainly because of work stoppages and unfavorable weather. Employment in nonfarm establishments changed little and the unemployment rate remained at the high level prevailing since December. Retail sales were unchanged. Bank credit and the seasonally adjusted money supply increased. From mid-September to mid-October, bond yields declined somewhat.

Industrial Production

Industrial production declined one point in September to 112% of the 1957 average. Output of consumer goods and materials was curtailed from the record highs reached in August, primarily because of work stoppages in the auto industry, while activity in the equipment industries rose somewhat further. Electric utility operations were stimulated by unusually warm weather.

Auto assemblies in September, after allowances for the typical sharp increase from the model-changeover low, were down one-fourth as work stoppages limited output of the largest producer. Following settlement of these strikes in late September, others occurred in early October at the plants of another major auto producer. Output of appliances and television, which had declined in August, was about unchanged in September. Production of apparel and staples was maintained at the advanced levels reached this summer, while output of furniture and rugs rose further.

Steel mill operations increased about seasonally in September. Because of the strikes and a hurricane, output of automotive parts, petroleum products, and some other industrial materials was temporarily curtailed. Output of chemicals, paper, and textiles advanced somewhat further.

Construction

New construction activity increased slightly further in September and, at a seasonally adjusted annual rate of $58.4 billion, about matched the high reached in the summer of 1959. For the third quarter as a whole, activity was 2% higher than in the second quarter and 4% above a year ago.

Employment

Seasonally adjusted employment in nonfarm establishments changed little in September. Employment recovered in the transportation equipment industry, following a dip in August associated with the early auto-model changeovers, and continued to increase in the metal and machinery industries but declined somewhat in nondurable goods industries. The average workweek in manufacturing was reduced by strikes at auto plants. The unemployment rate, at 6.8%, continued to show little change.

Distribution

Sales at retail stores in September were unchanged from August In the third quarter as a whole, retail sales were up slightly from the second quarter and at the same level as a year earlier. Sales at department stores remained at an advanced level through the third quarter—4% higher than a year earlier—and rose in early October.

Commodity Prices

The wholesale commodity price index was relatively stable in late September and early October. Prices of aluminum and some products were reduced while price increases were announced for a few textile products. The 1962 autos were introduced with list prices generally little changed from those for the 1961 models.

Band Credit and Reserves

Total commercial bank credit rose about $5 billion in September. Banks added substantially to their holdings of U. S. Government securities, and loans to security dealers increased in connection with Treasury financing operations. Bank holding of other securities and other loans also rose. The average money supply, seasonally adjusted, increased sharply after showing little change since early spring.

Member bank excess reserves averaged about $560 million and borrowings from the Federal Reserve about $35 million over the four weeks ending Oct. 11. Both excess reserves and borrowings were about the same as in the preceding four-week period. Between mid-September and mid-October reserves were supplied largely through Federal Reserve purchases of U. S. Government securities. Required reserves increased substantially in September and early October.

Security Markets

Yields on medium- and long-term bonds generally declined somewhat between mid-September and mid-October while yields on Treasury bills were relatively stable. Common stock prices showed little net change.

Bank Clearings for Week Ending Oct. 21 Are 9.0% Above Same Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Oct. 21, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 9.0% above those of the corresponding week last year. Our preliminary totals stand at $31,341,386,570 against $28,753,489,573 for the same week in 1960. Our comparative summary for the big money centers for the week follows:

Week End. Oct. 21—	(000s omitted) 1961	1960	%
New York	$16,743,837	$14,695,172	+13.9
Chicago	1,467,789	1,408,211	+ 4.2
Philadelphia	1,328,000	1,223,000	+ 8.6
Boston	946,985	931,756	+ 1.1

Steel Production Starts Moderate Climb After Several Weeks

The steel market upturn has resumed at a moderate rate, *The Iron Age* reports. After several weeks on a plateau, the market has again strengthened.

The Iron Age bases that conclusion on scattered, but significant reports of renewed market strength. These indicate new orders are picking up, although not at a similar rate for all mills and localities. But mills with broad product bases indicate the rate of new orders means November will be better than October, and December better than November.

The rate of improvement is on a broad base. Although no particular segment of business stands out, the number of users picking up their rate of buying shows there is strength in the economy.

The effects of the auto strikes have been largely digested. Steel mills have moved auto steel that built up during the strike. Auto companies are ordering at a normal rate, although not as high as had been hoped for.

Furthermore, recent sales of cars in October have brightened the auto outlook. While a tremendous boom is not likely, a continued run of better auto sales would mean a brisk pickup in steel orders.

Although there are few signs of inventory building, stocks of steel in the hands of consumers are still low and some moderate buildup is likely before the first of the year.

A further note on the auto strikes: The Ford steel mill, which supplies roughly 50% of the company's total steel used, was also shut down by the strikes. This minimizes the effect of the Ford strike on the other steel suppliers since the company lost its own steel production.

In assessing the effects of the recent plateau in the steel market, *The Iron Age* points out its original forecast for the fourth quarter was an average operating rate of 75% of capacity with a peak of 80 being reached before the end of the year. These forecasts are still in sight, indicating that the pause, dictated mostly by auto strikes, was not a severe break.

However, the magazine points out that the dip in sales, although slight, may put a crimp in steel company earnings for the fourth quarter. Demand leveled off, at least temporarily, just short of the point where profits begin to rise rapidly.

The critical point where profits begin to mount is between 75% and 80% of capacity. The rate has yet to hit 75% and the really profitable level may not be hit until late in the quarter. This will cut fourth quarter profits below the optimistic estimates and for some mills profits may not be much higher in the fourth than the third quarter.

One lesson to be learned from the recent leveling is that the market is in a delicate condition where the week-to-week outlook can change. However, there is little change in the long-term outlook of gradual improvement through 1961 and a brisk pickup on the strength of inventory building and strike hedging starting about next February.

Steel Output May Continue Sidewise Trend Rest of the Year

The auto strikes have dealt such a sharp blow to steel mill operations that output now seems destined to hover near the current level the rest of the year, *Steel* magazine said.

Mills last week poured an estimated 2,050,000 tons. Operations were slightly above 71% of 1960 capacity.

Auto labor troubles trimmed 1962 model output by approximately 240,000 assemblies by mid-October. This month's output will be about 485,000 cars. Automakers plan to boost output to 600,000 cars next month and build the same number in December.

That is not enough automaking to boost steel demand materially. A moderate increase in auto steel demand will only offset seasonal downtrends that have already started in other markets, such as construction, canmaking, railroad trackwork, and agriculture.

Steelmen are hoping that if new car sales maintain the record pace of early October, which may have reflected nothing more than early introductions, automakers will increase fourth quarter schedules.

Automakers, however, are not ordering much steel shipped because they have more than enough on hand and in transit to meet October schedules. When they returned to work, steel came in faster than they could use it. To prevent inventories from piling up, they deferred some October shipments until November.

Mills are shipping finished products at a rate that equals or slightly exceeds usage.

Unless there is a dramatic increase in automotive steel use, shipments and consumption will probably stay balanced at about 6.3 million tons a month during October, November, and December. There will be no need for steelmakers to boost ingot production unless users start to build inventories.

Odds are against stockpiling because deliveries are still prompt and are expected to stay that way.

The failure of the steel ingot rate to rise is depressing scrap prices. *Steel's* composite price on No. 1 heavy melting grade continued to decline. It went down 34 cents to $38.83 a gross ton last week. A slightly slower export movement is noted.

Prices on imported steel are slipping, the magazine says. Those on imports from Western Continental Europe are generally easier. A few are unchanged; only one is up.

Importers partially attribute the easiness to less buying pressure both here and abroad, but expanding steel capacity abroad is a big factor. Foreign producers are under increasing pressure to find outlets for the output of their expanding capacity, and many countries formerly dependent on imports are building capacity of their own.

This country is importing about 50% more steel than it is exporting. During the first eight months of the year, we imported 1.9 million tons and exported 1.2 million tons.

Latest monthly figures show that August imports of 307,000 tons were the largest of any month since April, 1960. They more than doubled our exports of 150,000 tons.

Steel magazine says to look for imports to exceed exports by about 400,000 tons during the fourth quarter.

Steel Production Data for the Week Ended Oct. 21

According to data compiled by the American Iron and Steel Institute, production for week ended Oct. 21, 1961, was 2,042,000 tons (*109.6%), 1.4% below the output of 2,071,000 tons (*112.2%) in the week ended Oct. 14.

Production this year through Oct. 21 amounted to 76,664,000 (*98.0%), or 9.3% below the period through Oct. 21, 1960.

The year to date production for 1960 through Oct. 22, 1960, 41 weeks was 84,481,000 tons or *108.0%.

The Institute concludes with Index of Ingot Production by Disricts for week ended Oct. 21, 1961, as follows:

	*Index of Ingot Production for Week Ending Oct. 21, 1961
North East Coast	111
Buffalo	103
Pittsburgh	105
Youngstown	100
Cleveland	115
Detroit	112
Chicago	108
Cincinnati	128
St. Louis	128
Southern	111
Western	117
Total	109.6

* Index of production based on average weekly production for 1957 - 1959.

"Ward's Automotive Reports" Expects a 34.6% Increase in Car Production This Week Over Last Week's Record

Prodded by soaring sales and seeking to recoup some of the 230,000-unit loss in September-October production schedules due to strikes, the nation's auto makers this week planned assembly of more cars than in any like period since Dec. 5-10 of last year, *Ward's Automotive Reports* said.

The statistical agency estimated that 134,360 new cars will be produced this week, a 39.6% increase from the 96,207-unit total last week, and comparing with 146,339 in the same year-ago period.

General Motors Corp., slating Saturday overtime at seven Chevrolet and two combination Buick-Oldsmobile - Pontiac plants, ordered its busiest week since the middle of last November.

Ford Motor Co. plants were all active again this week following final agreement on a new three-

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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

On the progressively stronger bidding for new state and municipal bond issues, and the generally favorable reception accorded them by investors, the market for tax-exempt offerings has been fairly active and broadly improved. New issues have been bid up by highly competitive bidding groups and reoffered at yields 0.05% to 0.15% above the prevailing price levels for similar offerings. The secondary market has more gradually readjusted.

The *Commercial and Financial Chronicle's* state and municipal bond Index indicates that the market is up close to a half point during the past week. The yield Index decreased from 3.334% to 3.303%. This average yield is derived from actual offerings and represents a real rather than hypothetical market level. However, like other averages or indices, it is not a dynamic symptom in that the element of new issue bidding is not an actual ingredient. Only large outstanding offerings are regularly available.

Highly Successful California Financing Stimulated Market

The successful underwriting of the $100,000,000 State of California serial issue, which was awarded to the Bank of America N. T. & S. A. group last week, was a strong market stimulant. The speed with which a large share of the offering was placed was an impressive expression of underlying market strength. As recently as Sept. 13, the State Street Securities Corp. of Albany purchased $100,000,000 California serial bonds at a 3.759% interest cost. On Oct. 18, the Bank of America N. T. & S. A. purchased the aforementioned issue at a 3.461% interest cost.

Despite the unprecedented market advance, the latter issue met with splendid investor reception and the general market's steady upward trend has been sustained. During the period from Sept. 13 to Oct. 18 the *Commercial and Financial Chronicle's* yield Index went from 3.407% to 3.334%. In other words, while the California market improved more than three points, the general tax-exempt market went up less than one point. Thus encouraged, dealers have since been pushing the bidding for other new issues with investors so far accepting the moderately higher level of prices with seeming indifference.

Housing Award Near

The supply of new issues continues to be relatively moderate for this time of year. Through late November the new issues so far scheduled total considerably under the $500,000,000 mark. The largest sale in sight consists of the $78,540,000 New Housing Authorities bonds for which bids will be opened on Nov. 1. This will, as usual, be a competitive sale with the large bank-dealer groups merging their interests. There will likely be several bidders for individual issues which have local appeal.

Dealers' inventories appear to be about unchanged since last reporting. Dealers generally have moderately heavy positions but the circumstances seem to be not uncomfortable.

Price Cuts Effected

However, as we have recently mentioned, commitments are heavy enough in some instances so as to encourage large investors, and particularly institutions, to make bids for blocks of bonds and frequently get them at price cuts which are not necessarily agreeable to the group and which preclude holding to the price pattern for the balance of the offering.

The *Blue List* total of state and municipal bond offerings is but little changed from the average of the past few weeks. As we go to press, the offering total $446,853,000.

Oklahoma Toll Road Financing Imminent

The $56,500,000 State of Oklahoma Toll Road (Southwestern) issue seems likely to be brought to market on Nov. 2. At a talk before the underwriting group this week, Governor Edmondson indicated the State's real interest in this project. The State Highway Department expects to spend at least $18 million in furthering the usefulness of this toll road project.

As additional evidence of the State's backing of the project, Governor Edmondson mentioned the passage by the State Legislature and approval by the State Supreme Court of a law setting aside $1 million a year from motor fuel excise taxes to be available to meet any possible revenue deficiencies. The group financing the Oklahoma issue will be managed by Merrill Lynch, Fierce, Fenner & Smith Inc., Allen & Co., White, Weld & Co., John Nuveen & Co., Inc., B. J. Van Ingen & Co., Inc., and Leo Oppenheim & Co.

Progress continues to be made in setting up the proposed Florida Turnpike financing. The issue may be brought to market sometime in November. The negotiating group is managed by Dillon, Read & Co.

Recent Awards

The past week has seen a flurry of new municipal bond issues come to market and many are of real importance to the financial community. On Thursday, Oct. 19, a syndicate headed by the Harris Trust and Savings Bank was the successful bidder for $25,000,000 State of Texas Veteran's Land 1966-1991 bonds at a 3.2755% interest cost. The second bid of a 3.2846% interest cost was made by the Halsey, Stuart & Co. group. The issue was scaled to yield from 2.20% in 1966 to 3.40% in 1991 and upon initial offering about $10 million of the bonds were sold. Since then this

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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.65%	3.50%
Connecticut (State)	3¾%	1980–1982	3.35%	3.25%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.25%	3.10%
New York (State)	3%	1978–1979	3.30%	3.15%
Pennsylvania (State)	3⅜%	1974–1975	3.15%	3.05%
Vermont (State)	3⅛%	1978–1979	3.25%	3.10%
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.25%	3.10%
Los Angeles, Calif.	3¾%	1978–1980	3.65%	3.50%
Baltimore, Md.	3¼%	1980	3.50%	3.35%
Cincinnati, Ohio	3½%	1980	3.45%	3.30%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.65%	3.50%
New York City, N. Y.	3%	1980	3.60%	3.55%

October 25, 1961 Index=3.303%

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Oct. 26 (Thursday)			
Bloomington Sch. Dist. 271, Minn.	1,755,000	1965-1991	4:30 p.m.
Cheektowaga and West Seneca Unified Sch. Dist., N. Y.	3,400,000	1962-1990	2:00 p.m.
East Texas State College, Texas	3,475,000	1974-2001	10:00 a.m.
Litchfield Co. Reg. S. D. 1, Conn.	1,150,000	1962-1981	11:30 a.m.
Little Rock Sch. Dist., Ark.	1,500,000	1962-1980	11:00 a.m.
Minneapolis, Minn.	2,160,000	1962-1991	10:00 a.m.
Pittsburgh and Allegheny County Public Auditorium Auth., Pa.	15,000,000	1962-2001	Noon
Oct. 27 (Friday)			
University of Missouri	2,550,000	1962-1986	2:00 p.m.
Oct. 30 (Monday)			
Maquoketa, Iowa	1,045,000	1962-1977	7:00 p.m.
Pennsauken Twp. Sch. Dist., N. J.	1,000,000	1963-1986	2:00 p.m.
Rock County, Wis.	2,500,000	1962-1981	2:00 p.m.
Oct. 31 (Tuesday)			
Florida Turnpike Author., Fla.	160,000,000	-------	-------
[Negotiated sale to be handled by Dillon, Read & Co. syndicate.]			
Fremont, Neb.	4,500,000	1962-1985	11:00 a.m.
Mecklenburg County, N. C.	3,000,000	1964-1987	11:00 a.m.
Menominee Falls, Butler & Lannon, Wis.	1,600,000	1963-1981	8:00 p.m.
North Salem, Somers & Carmel Central School District 1, N. Y.	1,370,000	1962-1986	2:00 p.m.
Ottumwa, Iowa	1,750,000	1961-2000	2:00 p.m.
Pinella Co., Florida	1,750,000	1962-1990	2:00 p.m.
Portland, Ore	3,500,000	1964-1983	11:00 a.m.
Preble, Humboldt, etc., S.D. 1, Wis.	1,055,000	1963-1981	2:00 p.m.
St. Paul, Minn.	4,396,000	1964-1991	10:00 a.m.
Smithtown Cent. S. D. No. 1, N. Y.	1,140,450	1963-1990	2:00 p.m.
Unorganized Territory of St. Louis, Minn.	1,500,000	1962-1970	2:00 p.m.
Wayne County, Mich.	16,815,000	1966-2001	11:00 a.m.
Nov. 1 (Wednesday)			
Elmira, New York	2,420,000	1962-1976	3:00 p.m.
Fruitport Comm. SD No. 22, Mich.	1,225,000	1963-1990	8:00 p.m.
Kansas City, Kansas	1,500,000	-------	-------
Local Housing Authorities	78,540,000	-------	Noon
Silver Bay, Minn.	1,100,000	1964-1975	7:30 p.m.
Nov. 2 (Thursday)			
Carmel & Putnam Valley Cent. Sch. Dist., No. 1, N. Y.	1,720,000	1962-1981	2:00 p.m.
Haddon Twp. Sch. Dist., N. J.	1,750,000	1962-1980	8:00 p.m.
Lawrence Twp. Sch. Bldg. Corp., Indiana	4,835,000	1964-1991	9:00 a.m.
Oyster Bay Cent. Sch. Dist. No. 6, New York	2,500,000	1963-1991	11:00 a.m.
Philadelphia, Pa.	19,000,000	1963-1987	Noon
West Virginia (State of)	2,000,000	1962-1986	1:00 p.m.
Nov. 4 (Saturday)			
Caddo Parish Sewer Dist. 5, La.	1,628,000	1962-1976	9:00 a.m.
Nov. 6 (Monday)			
Deland, Florida	1,400,000	1980-1998	8:00 p.m.
Douglas Co. Sch. Dist., No. 66, Neb.	1,409,000	1962-1986	4:00 p.m.
New York State Dorm. Auth., N.Y.	3,000,000	1963-1992	10:00 a.m.
Nov. 7 (Tuesday)			
Marshall County, Tenn.	1,000,000	1962-1977	2:00 p.m.
St. Louis County, Berkley School District, Mo.	1,300,000	-------	-------
Nov. 8 (Wednesday)			
Gloucester City S. D., New Jersey	1,655,000	1962-1983	7:30 p.m.
Hawaii (State of)	10,000,000	1964-1981	-------
Oklahoma Turnpike Author., Okla.	56,500,000	2001	-------
[Negotiated sale to be handled by Allen & Co. syndicate.]			
Richfield, Minnesota	1,300,000	1964-1983	-------
Waverly Sch. Dist., Michigan	3,225,000	1964-1987	8:00 p.m.
Nov. 9 (Thursday)			
Nassau County, N. Y.	13,797,000	1962-1990	Noon
Southern Gloucester Co. Reg. HSD, New Jersey	1,6[illegible]0,000	1962-1978	7:30 p.m.
Vineland, N. J.	4,945,000	1962-1987	Noon
Nov. 13 (Monday)			
Ascension-St. James Bridge & Ferry Authority, La.	30,750,000	2001	11:00 a.m.
Hardin-Simmons University, Tex.	1,110,000	1964-2001	10:00 a.m.
Lompoc School District, Calif.	1,419,000	1962-1986	-------
University of North Carolina	2,875,000	1963-2000	10:30 a.m.
Winn Parish Sch. Dists., Louisiana	1,310,000	1963-1982	7:00 p.m.
Nov. 14 (Tuesday)			
Amarillo, Texas	4,250,000	1962-1991	11:00 a.m.
Los Angeles Flood Control D., Cal.	20,000,000	-------	-------
Orange County, N. C.	1,500,000	1963-1986	11:00 a.m.
San Joaquin County, Calif.	5,500,000	1963-1975	1:30 p.m.
Nov. 15 (Wednesday)			
Fort Smith, Ark.	1,500,000	-------	-------
Georgia State Highway Auth., Ga.	35,000,000	-------	-------
Hampton, Va.	4,000,000	1962-1981	Noon
Irvine Ranch Water Dist., Calif.	5,200,000	1965-1991	10:00 a.m.
Maryland State Roads Comm., Md.	12,500,000	1962-1976	11:00 a.m.
New Hampshire (State of)	16,415,000	1963-1990	-------
Oregon (State of)	20,000,000	1966-1999	10:00 a.m.
Nov. 16 (Thursday)			
Omaha Public Power Dist., Neb.	17,000,000	1963-1991	11:00 a.m.
Salt Lake Co. Water Conser. Dist., Utah	1,200,000	1964-2007	3:00 p.m.
Nov. 17 (Friday)			
University of Washington	3,000,000	1962-1991	1:30 p.m.
Nov. 20 (Monday)			
Manville Sch. Dist., N. J.	1,235,000	1962-1986	8:00 p.m.

Tax-Exempt Bond Market

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offering has been sold down to a balance of $12,800,000.

Monday evening, Oct. 23, saw the sale of $6,650,000 Nashville, Tenn. various purpose (1962-2000) bonds to a syndicate managed by The Chase Manhattan Bank. Associated as majors in this group are the Trust Co. of Georgia, Robinson, Humphrey & Co., Hirsch & Co. and Fidelity Union Trust Co. Scaled to yield from 1.50% in 1962 to 3.60% in 1998 the issue was in good demand and a balance of $2,400,000 presently remains in account. The 1999 and 2000 maturities carried a one-tenth of one percent coupon and were not reoffered.

Tuesday, Oct. 24, was a hectic day as five issues of note were brought to market and one issue was postponed due to litigation. Terre Haute, Ind. had scheduled $6,300,000 of Sewer Revenue bonds for competitive bidding but was forced to postpone the sale when a taxpayer instituted suits setting forth 18 allegations against the Authority. No date has as yet been set by the court for the hearings in order to investigate these allegations.

The largest issue up for competitive bidding Tuesday involved $35,000,000 State of Michigan, Trunk Line Highway (1962-1986) bonds. This issue was awarded to the Smith, Barney & Co., Lehman Brothers & Co., Drexel & Co. syndicates. The group bid 100.0099 for 5%, 3¼%, 3½%, 3¾% and 3⅞% coupons, setting an annual net interest cost of 3.7641%. The bonds were priced from 1.70% in 1962 to 3.875% in 1986 and upon initial offering about $11,000,000 of the issue had been spoken for. Good follow through sales were reported yesterday with the present balance $8,200,000.

A syndicate headed by Halsey, Stuart & Co., Inc. was the highest bidder for $8,500,000 Chicago, Ill. Board of Education (1963-1981) bonds. Other majors in this account include Lehman Brothers, Morgan Guaranty Trust Co., Phelps, Fenn & Co., Hornblower & Weeks and Stone & Webster Securities Corp. Scaled to yield from 1.90% to 3.50% for a 3⅜% coupon, the issue is about 45% sold.

Honolulu, Hawaii awarded $6,210,000 of various purpose (1966-1991) limited tax bonds to a syndicate headed by The First National City Bank of New York and Crocker - Anglo National Bank. The bonds were reoffered to yield from 2.60% in 1966 to 3.85% in 1989. The 1990 and 1991 maturities carried a 1% coupon and were offered at a 4.40% yield. The account reports an unsold balance of only $330,000.

Tuesday's final issue of importance consisted of $4,450,000 Boston, Mass. various purpose (1962-1981) bonds which were won by the First Boston Corp. group. Scaled to yield from 1.75% to 3.60% today's unsold balance is $2,600,000.

Week's Largest Transaction

On Wednesday, Oct. 25, the largest issue of the week, $40,000,000 Commonwealth of Kentucky (1963-1990) bonds, were eagerly bid for, with The First National City Bank of New York, Blyth & Co. and Chemical Bank and New York Trust Co. group the high bidder. Scaled to yield from 1.75% in 1963 to 3.50% in 1989 the issue was in good demand with the present balance estimated at $2[illegible],000,000. The 1990 maturity carried a one-tenth of one percent coupon and was not reoffered.

A group managed jointly by Smith, Barney & Co., Harriman Ripley & Co. and The First Boston Corp. were the successful bidder for $8,455,000 City of Houston, Texas various purpose bonds. This issue maturing 1962 to 1986 was scaled to yield from 1.60% to 3.65% for a 3¼% coupon and upon initial offering about $2,750,000 of the bonds were sold.

The final issue of importance this week consisted of $6,000,000 Kansas City, Mo. water revenue (1965-1991) bonds which were awarded to The First Boston Corp., Eastman Dillon, Union Securities & Co. syndicate. Scaled to yield from 2.20% in 1965 to 3.50% in 1990 this high grade issue is down to a balance of $1,600,000. The 1991 maturity carried a 1% coupon and was not publicly reoffered.

Toll Road Index Static

The average yield derived from representative turnpike bond issues has changed but little during the past few weeks. On Oct. 19, the *Smith, Barney & Co.* turnpike yield Index averaged out at 3.86% as against 3.85% the week before. A few important toll road issues have recently fluctuated rather widely. The Chicago Calumet Skyway, Indiana Toll Road and West Virginia Turnpike bonds have been particularly in the limelight, with gains ranging from three to four points. The Calumet's have held their gains, but the Indiana and West Virginia bonds have fallen back to their former price levels. Rumors persist regarding each of these projects that would be beneficial in the long run.

Businessman's BOOKSHELF

Agricultural Lending Agencies—American Bankers Association, 12 East 36th Street, New York 16, N. Y., 25¢.

Atomic Energy Programs, January—December 1960—Index to the Annual Report to Congress by the U. S. Atomic Energy Commission—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 20¢.

Business Statistics — 13th in a series of biennial fact books—U. S. Department of Commerce, Washington 25, D. C.

Credit Management Year Book, 1961-62 — Credit Management Division, National Retail Merchants Association, 100 West 31st St., New York 1, N. Y., $12.

Economic Indicators September 1961—Published Monthly, 20¢ per copy; $2.00 per year. Superintendent of Documents, Government Printing Office, Washington 25, D. C.

Edison Electric Institute Statistical Year Book of the Electric Utility Industry for 1960—Edison Electric Institute, 750 Third Ave., New York 17, N. Y. (paper), $1.50.

Fabrication Gaps in Canadian Industry—Ontario Department of Commerce and Development, Box F, 680 Fifth Avenue, New York 19, N. Y. (paper).

Federal Fiscal Issues—Tax Foundation, Inc., 50 Rockefeller Plaza, New York 20, N. Y. (single copies on request).

Federal Reserve Chart Book — Financial and Business Statistics —September 1961—Board of Governors of the Federal Reserve System, Washington 25, D. C., 60¢.

Finance Facts Year Book 1961—Education Services Division, National Consumer Finance Association, 1000 Sixteenth St., N. W., Washington 6, D. C. (paper).

Fortunes in Special Situations in the Stock Market—Maurece Schiller — American Research Council, Larchmont, N. Y. (hard covers), $5.95.

Gas Data Book 1961—Pocket sized summary of important facts regarding gas industry growth—American Gas Association, 420 Lexington Ave., New York 17, N. Y. (paper), 50¢ for first copy, 25¢ for each additional copy.

Market Economy in the World of Today—Per Jacobsson—American Philosophical Society, 104 South Fifth Street, Philadelphia 6, Pa., $1.50.

MONY Management Story 1940-1960 — Mutual of New York, Broadway at 55th Street, New York 19, N. Y. (paper).

Mutual Savings Banks of the United States—Directory and Guide—National Association of Mutual Savings Banks, 60 East 42nd St., New York 17, N. Y. (ring binding), $5.

93 Lots of Bids Involving Identical Bids—Reported to the Department of Justice 1955-1960—U. S. Government Printing Office, Washington, D. C.

Productivity Trends in the United States—John W. Kendrick—Princeton University Press, Princeton, N. J. (cloth), $12.50.

Small Loan Laws—Dr. Wallace P. Mors — Bureau of Business Research, Western Reserve University, Newton D. Baker Bldg., Room 120, Cleveland 6, Ohio, 35¢ (quantity prices on request).

Steel Industry, 1939-1959 — Duncan Burn—Cambridge University Press, 32 East 57th Street, New York 22, N. Y. (cloth), $14.50.

Stock Plans for Employees — A report on stock acquisition plans for general employees offered by companies listed on the New York Stock Exchange—New York Stock Exchange, 11 Wall Street, New York 5, N. Y.

Truth About Imports, Part II—United States-Japan Trade Council, 1000 Connecticut Ave., Washington 6, D. C. (paper).

United States in World Affairs 1960—Richard P. Stebbins—Council on Foreign Relations, 58 East 68th Street, New York 21, N. Y., $6.00.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Automobile Industry—Analysis—David L. Babson and Company, Incorporated, 89 Broad Street, Boston 10, Mass.

Beryllium Industry—Report—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y. With particular reference to **Beryllium Corp., Brush Beryllium Company, Standard Beryllium Corp., Federal Resources Corp.,** and **United Technical Industries.**

Capital Gains Tax—Discussion of when it pays to pay them—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y.

Cleveland Banks—Memorandum—McDonald & Company, Union Commerce Building, Cleveland 14, Ohio.

Crude Oil—Discussion with particular reference to **Belco Petroleum, Murphy Corporation** and **Western Natural Gas Company**—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y. Also available are data on **U. S. Borax & Chemical Corp., Green Shoe Manufacturing Co., Utah Construction & Mining Co., P. Lorillard Co., Norfolk & Western, Cook Coffee Co.,** and **American Cyanamid.**

Eurofund Monthly Review—Analysis of political and economic conditions in Europe—Eurofund, Inc., 14 Wall Street, New York 5, New York.

Fixed Income Securities — Bulletin—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **Pocket Books, Inc., New England Electric System,** and **Magnavox.**

Gold Stocks—Bulletin on issues which appear attractive—Boenning & Co., Alison Building, Philadelphia 3, Pa.

International Indicators—Newsletter reporting basic and trend indicators for 63 countries—Selected International Indicators, 11 West 42nd Street, New York 17, N. Y. (on subscription).

Japanese Electronics Industry — Analysis—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y.

Japanese Market—Survey—Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y.

Japanese Market — Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are discussions of the **Japanese Cement Industry, National Cash Register Co. (Japan) Ltd.,** and **Meiji Milk Products Co. Ltd.**

Japanese Stocks — Handbook for investment, containing 20 essential points for stock traders and investors — The Nikko Securities Co., Ltd., Tokyo, Japan — New York office 25 Broad Street, New York 4, N. Y.

New York City Bank Stocks—Third Quarter Statistics on Ten New York City Banks — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Over-the-Counter Index — **Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period** — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Railroads Mergers—Review—Vilas & Hickey, 26 Broadway, New York 4, N. Y.

Space Age Metals—Bulletin—Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available is a memorandum on **Heli-Coil.**

Stocks for Tax Switching — Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are data on **Air Products, Amphenol-Borg Electronics Corp., Electro Science Investors, Blue List Publishing Co.**

Vegetable Oils—Discussion in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y. Also in the same issue are discussions of **Allis-Chalmers Manufacturing Co., Unilever, California Ink Company, National Can Corp., First National Bank of San Jose, Union Carbide, Barry Wright Corp., Toledo Scale Corp., Tampax, Inc., Greyhound Corp., Stanley Works.**

* * *

Aldens, Inc.—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

American Cement Corporation—Analysis—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are reviews of **Giant Food Inc.** and **New England Gas & Electric Association.**

Anchor Hocking Glass—Survey—Shields & Company, 44 Wall Street, New York 5, N. Y.

Badger Northland, Inc.—Report—Loewi & Co., Incorporated, 225 East Macon Street, Milwaukee 2, Wis. Also available is a memorandum on **Parker-Hannafin.**

Berkshire Frocks—Analysis—Carreau & Company, 115 Broadway, New York 6, N. Y. Also available are analyses of **Ferro Corp., Kayser Roth,** and **Proctor-Silex.**

Berkshire Frocks—Report—Purcell & Co., 50 Broadway, New York 4, N. Y.

Bevis Shell Homes, Inc.—Analysis—Beil & Hough, Inc., 350 First Avenue, North, St. Petersburg, Florida.

Boise Cascade Corp.—Analysis—L. H. Rothschild & Co., 52 Wall Street, New York 5, N. Y.

Carrier Corp.—Analysis—Hardy & Co., 30 Broad Street, New York 4, N. Y.

Casa Electronics—Bulletin—Adams & Company, 5455 Wilshire Boulevard, Los Angeles 36, Calif.

Cetron Electronic—Memorandum—Leason & Co., Inc., 39 South La Salle Street, Chicago 3, Ill.

Components Specialties, Inc.—Report—Fund Planning, Inc., 15 East 40th Street, New York 16, N. Y.

Continental Can—Review—Hemphill, Noyes & Co., 8 Hanover Street, New York 4, N. Y. Also available are reviews of **Pennsylvania Railroad** and **Seeman Brothers.**

Dorr-Oliver—Memorandum—G. H. Walker & Co., 15 Westminster Street, Providence 3, R. I.

Dover Corporation—Analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available are reviews of **Julius Garfinckel & Co.** and **Kerr McGee Oil** and a chart analysis of **St. Regis Paper.**

Dynamic Cable Systems—Report—Taylor, Bergen, Lynn & Lee, 1830 West Olympic Boulevard, Los Angeles 6, Calif.

Emery Air Freight Corp.—Analysis—Cooley & Company, 100 Pearl Street, Hartford 4, Conn. Also available is a review of **Virginia Dare Stores Corp.**

Ennis Business Forms, Inc.—Analysis—Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Texas.

L. M. Ericsson Telephone Company—Data—Stearns & Co., 80 Pine Street, New York 5, N. Y. Also available are data on **United Technical.**

Estron—Memorandum—James Anthony & Co., 37 Wall Street, New York 5, N. Y. Also available is a memorandum on **International Cablevision.**

Falconbridge-Ventures Merger—Analysis—Draper Dobie & Company Ltd., 25 Adelaide Street, West Toronto, Ont., Canada.

Famous Artists Schools Inc.—Memorandum—Carter, Berlind, Potoma & Weill, 37 Wall Street, New York 5, N. Y.

Ferro Corporation—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Fiat Metal Manufacturing Co. Inc.—Report—Dempsey-Tegeler & Co., Inc., 1000 Locust Street, St. Louis 1, Mo.

Fischbach & Moore—Report—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Gamble Skogmo, Inc.—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

General Battery & Ceramic—Memorandum — Hopper, Soliday & Co., 1420 Walnut Street, Philadelphia 2, Pa.

General Motors—Memorandum—Dreyfus & Co., 2 Broadway, New York 4, N. Y.

Genisco Inc.—Analytical Brochure—Lester, Ryons & Co., 623 South Hope Street, Los Angeles 17, Calif.

Glasrock Products Inc.—Analysis—Miller Securities Corporation, Fulton Federal Building, Atlanta 3, Ga.

Gulf Sulphur—Memorandum—Brown, Allen & Company, Inc., Mercantile Bank Building, Dallas 1, Texas.

Handmacher-Vogel, Inc.—Analysis—Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Pa.

Income Properties Inc.—Analysis—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, New York.

Industrial Acceptance—Memorandum—Royal Securities Corporation, Ltd., 244 St. James Street, West, Montreal 1, Que., Canada. Also available is a memorandum on **Fraser Co.**

Interstate Life & Accident Insurance Co. — Memorandum—Janney, Battles & E. W. Clark, Inc., 1401 Walnut Street, Philadelphia 2, Pa.

John Morrell—Memorandum—Cruttenden, Podesta & Co., 209 South La Salle Street, Chicago 4, Illinois.

Jouet, Inc.—Report—Edward H. Stern & Co., Incorporated, 32 Broadway, New York 4, N. Y.

Lamson & Sessions — Memorandum — Burns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Marrud, Inc.—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is a memorandum on H. C. Bohack.

Max Factor & Co.—Analytical Brochure—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

May Department Stores—Memorandum—E. F. Hutton & Company, 7616 Girard Avenue, La Jolla, Calif.

Newport News Shipbuilding & Drydock—Report—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a report on **Tennessee Gas Transmission.**

Norwich Pharmacal Company—Analysis—Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y. Also available is a review of the **Paper** industry with emphasis on **International Paper** and **Rayonier.**

Panacolor Inc.—Analysis—Adams & Peck, 120 Broadway, New York.

Pan American Sulphur—Memorandum—Robert J. Levy & Co., First National Bank Building, Chicago 3, Ill.

Paul Hardeman, Inc.—Memorandum—Andresen & Co., 30 Broad Street, New York 4, N. Y.

Pennsylvania Railroad Company—Analysis—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Polychrome Corp. — Report—Westheimer and Company, 326 Walnut Street, Cincinnati 2, Ohio.

Potash Co. of America—Memorandum—Fusz-Schmelzle & Co., Inc., 522 Olive Street, St. Louis 1, Mo.

Prophet Co.—Memorandum—Smith, Hague & Co., Penobscot Building, Detroit 26, Mich.

Radio Corporation of America—Analysis—Evans & Co., Incorporated, 300 Park Avenue, New York 22, N. Y.

Random House—Report—Goodbody & Co., 2 Broadway, New York 4, N. Y.

Rapid American—Memorandum—Divine & Fishman, Inc., 134 South La Salle Street, Chicago 3, Illinois.

Riddle Airlines Inc.—Report—H. L. Robbins & Co. Incorporated, 10 Post Office Square, Boston 9, Mass.

Sierra Pacific Power—Memorandum—Birr & Co., Inc., 155 Sansome Street, San Francisco 4, Calif.

Schering — Memorandum — J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

Specialty Electronics Development Corp.—Bulletin—Samuel Weiss & Associates Inc., 80 Pine Street, New York 5, N. Y.

Stop & Shop—Study—Butler, Herrick & Marshall, 76-11 37th Avenue, Jackson Heights, N. Y.

Utah Construction and Mining Company—Analysis—Brush, Slocumb & Co., Inc., 465 California Street, San Francisco 4, Calif.

F. W. Woolworth Co.—Review—Vanden Broeck, Lieber & Co., 125 Maiden Lane, New York 38, N. Y. Also available are reviews of **Gray Drug Stores, Monarch Marking System Company** and **Banner Industries.**

Finance Company Stock Offered

Public offering of 33,117 outstanding shares of $1 par capital stock at $16.75 per share is being made by Crowell, Weedon & Co., Los Angeles. Proceeds will go to the selling stockholder.

The company of 305 South Hawthorne Blvd., Hawthorne, Calif., was organized in 1959 for the purpose of acquiring all the outstanding stock of Hawthorne Savings & Loan Association. The company also operates an insurance agency which assists the association in making fire and other insurance available to borrowers and acts as a trustee under trust deeds securing loans made by the association.

Botany Industries, Inc.

By Dr. Ira U. Cobleigh, *Enterprise Economist*

Corporate diversification, designed and developed by Botany, sets the stage for $90 million in sales in 1961 and new vistas of profitability in future years.

Diversification at Botany Industries, Inc., is a many splendored thing. Here's an enterprise that started out 72 years ago as a woolen textile company and has become, in the past six years, a well managed complex of 10 companies engaged in extensive and varied manufacturing and merchandising operations, presenting attractive potentials for expanded earning power.

To illustrate the forward motion at Botany, consider the fact that the company, in 1955, had gross operating revenues of $14,395,000 and showed a loss of $12.59 a share on its common stock. They should be around $90 million this year with earnings of approximately 70c a share on the 3,815,576 common shares now outstanding. This is indeed a dramatic change in corporate fortunes—a manifold increase in gross revenues and conversion of dismal losses into substantial and rising net profits.

Ten Company Divisions

Of the company divisions that now make up the corporate panorama at Botany, the biggest is H. Daroff & Sons, renowned Philadelphia clothing manufacturer grossing over $60 million annually, and maker of the widely advertised "Botany 500," "Gort-McLeed" and "Worsted-Tex" brands. Daroff produces over one million units (suits, slacks, sport coats, overcoats and topcoats) annually sold through over 2,400 retail outlets, including an owned group of stores, now operated under Botany Retail Stores. Daroff was officially acquired Jan. 3, 1961.

Botany Retail Stores total 59 retail outlets from coast to coast: Broadstreet's (10) in New York and Chicago; Weber & Heilbroner (12) in New York; Harris & Frank (25) in California; Pauson's in San Francisco; Greenfield's (3) St. Louis; William H. Wanamaker (2) Philadelphia; Kaufmann's, Charleston, West Virginia and R. J. Baker Company (5) in Toledo, Ohio. The Botany plan is for each regional store to preserve its own identity, but to benefit from the efficiencies of uniform accounting procedures and consolidated operations wherever possible.

The Baltimore Luggage Company is famous for its "Lady Baltimore" matching women's hand and wardrobe luggage, and overnight and week-end cases. Finely designed travel luggage is smartly promoted through an advertising program featuring famous movie personalities.

Botany Cottons, Inc., is a large scale manufacturer of combed and carded yarns. Even though last year was a dreary one in textiles generally, Botany Cottons operated profitably. Its future is brightened by the introduction, in 1960, of a resin treated fabric for knit goods, and by a modernization program under way for over 2½ years.

In a field unrelated to textiles, but still in the field of human adornment, is the Richelieu Jewelry Company division which scored a sales success with "Pop-pit" necklaces and, more recently with "Perle de Mer" a simulated pearl hardly distinguishable from the cultured pearls from sophisticated oysters. Richelieu is a money maker designed to prosper in an "affluent society."

In the "instant" product field Botany has an attractive entry in the Rolley Company. This division is prospering from its Sea & Ski suntan lotions, and its newer Tanfastic IR-9 (which also repels insects) and Tansation Plus, an instant tanning cream. For sun baskers there's a swank line of sun glasses from "Rolley of France." All of these solar-slanted items benefit from sleek advertising in such media as Sports Illustrated, Glamour, Photoplay and Playboy.

Glenoit Mills, Inc., carries on the textile tradition, but in an ultra-modern manner. Last year it moved into a specially designed new plant in Tarboro, N. C. from whence it turns out Glenora, fur-like pile fabrics for women's wear; pile fabrics for men's, boys', children's and infants' wear; and for industrial use, rugs and carpets. Glenoit not only does a big business in the United States, but is expanding its sales abroad, particularly in Canada, England and West Germany.

The Moss-Gordin Lint Cleaner Company provides devices which clean the lint in cotton ginning operations. These are in expanding demand in America and overseas.

Gordin Unit System produces tailor-made machinery for cotton textile plants. Its cotton ginning machine, introduced in 1959, includes important advances in design. The Gordin Gin (not to be confused with the beverage of similar name) has a 16 inch saw incorporated in its construction, creating a major increase in mill capacity. (Heretofore the largest saw was 12 inches.) The 140-saw stand developed for the Gordin Gin is the biggest stand in the world.

Lincoln Homes, a major producer of prefabricated homes (and its affiliate, Alleghany Mortgage Co.) have just been acquired and round out the corporate picture.

Other Interests

In addition Botany Industries has 10 companies who are licenesees under its fabric patents. The company owns a 49% interest in Premier Industries, itself a holding company for 14 diversified corporate enterprises. Premier should show $2.5 million in earnings for 1961. It grossed $17 million and netted $1.9 million last year. A spin-off of Premier Industries stock to Botany shareholders has bees announcd.

Design for Profit

While there may seem but slight connection between a company that makes cotton gins, builds prefab homes or sells suntan lotions, there is an overall corporate purpose that is quite well defined — making money. Each of these divisions was acquired because of a profit potential. Aggressive and intelligent management has been deployed to see that these profits materialize.

Progress along this line has been significant. Debt reduction has proceeded rapidly and long-term debt was reduced by $18.6 million in 1959 alone. Net worth, on a pro forma basis at the 1960 year-end, was about $27.1 million (over $7 a share) against only $900,000 when new management came on the scene in 1955.

Management

This imaginative and effective management team is headed by Mr. A. M. Sonnabend, Chairman of Botany Industries, Inc. and President of Hotel Corporation of America. Mr. Michael Daroff, distinguished clothing manufacturer and merchant, is President.

So far it might be said that the common stock of Botany Industries has done very little to reflect the broad spread corporate improvement that has been taking place. The shares trade in the Over-the-Counter Market where they have ranged between 1956 and today from 3 to 8¾. No dividends have been paid since 1950 and, under existing loan agreements, no cash dividends may be paid until 1963. So these shares make no logical appeal to buyers for income.

As a speculation, however, Botany common seems to have considerable merit. The steady rise in book value, earnings which should rise from 58c in 1960 to above 70c this year, the spin-off of Premier shares and the eagerness and competence of management lend definite attraction to this equity.

When you compare Botany with a spate of shares selling below 10, with sleazy balance sheets, meager or mythical earnings, and managements ranging from erratic to incompetent, you can see much logic in preferring Botany.

Ahead lies a change in fiscal year to end June 30, the probability of larger earnings next year, and the prospect of listing Botany shares on the New York Stock Exchange and the broader market following that would suggest. If Botany were only a space age stock instead of a modified textile, it would sell at 30 times earnings (21) instead of its present uninflated quotation of 8.

Thomas & Co. Inc.

PALM BEACH, Fla.—Thomas & Co., Inc., has been formed with offices at 305 South County Road to engage in a securities business. Officers are Jerry Thomas, president; Vernon F. Raedisch, vice president; and George E. Tompkins, treasurer; and I. Thomas, secretary. All were formerly associated with Jerry Thomas & Co., Inc.

Wimett Named By A. B. A.

Ruth S. Wimett has been named assistant to the director of the News Bureau of The American Bankers Association, according to Executive Vice-President Charls E. Walker.

Ruth S. Wimett

Miss Wimett joined the A.B.A. News Bureau staff as secretary in April of 1946. She graduated from the University of Vermont with a B.S. degree in commerce and economics in 1939. After teaching four years at Poultney High School in Poultney, Vt., she served in the WAVES from 1943 to 1946 with the rank of Lieutenant (jg).

Form Stonewall Funds

HUNTINGTON, W. Va. — Stonewall Funds, Inc., has been formed with offices at 624 Eighth Street. Officers are Latelle M. Follette III, president; Raymond Cole, vice president; Kenneth A. Sturgill, secretary-treasurer; and Robert P. Holley, Jr., chairman of the board.

Form New Horizons

(Special to THE FINANCIAL CHRONICLE)

HOLLYWOOD, Calif.—New Horizons, Inc., is engaging in a securities business from offices at 7805 Sunset Boulevard. Officers are William G. Brangham, president; C. Robert Moone, vice president; and Ann Stone, secretary and treasurer.

Technical Complications Becloud Market Outlook

By James F. Hughes,* Auchincloss, Parker & Redpath, New York City

The stock market predictive value of the Ayres breadth index and the investment holdings account of member banks "appear to justify the projection of further advance to new highs in the Dow-Jones industrial average." In making this forecast, Mr. Hughes hastens to assess some of the uncertain aspects connected with this longe-range outlook for the present seven year old New Era stock market. He finds much that is disquieting and notes that at present the breath-price relationship in the market does not provide as favorable a technical position as when past industrial production highs occurred. Thus, Mr. Hughes questions the market's ability to do as well as it did following, for example, the new industrial production high of April, 1950, but does not deny that government controls and sponsorship have been extremely helpful.

Recent Technical Action

Since the early part of August the technical performance of the stock market, as reflected in the Dow-Jones industrial average, has not been too favorable. However, an unusual aspect of the market's recent action has been the encouraging recovery by the rail and utility averages accompanied by improvement in the Ayres breadth index as related to the industrial average. Furthermore, historical probabilities based on the relationship between the stock market and banking trends favor the viewpoint that the industrial average should advance to new highs.

James F. Hughes

Bank Investments at Peace-Time High

Total investment holdings of the weekly reporting member banks as of Sept. 27 amounted to $46,180,000,000. With the exception of the period from December 1944 to June 1946, which was dominated by war financing, the investment holdings reached a record peace-time high. The net increase for the week ended Sept. 27 was $1,285,000,000.

During the week ended Oct. 4, the Federal Reserve Banks got into the credit expansion act by reporting the largest weekly increase in the System's holdings of government securities in more than ten years. As a result of open market operations, the Reserve Banks showed an increase of $850,400,000 in holdings of U. S. Government securities.

While the weekly increase did not exceed some of the increases reported during the war period, the total holdings of U. S. Government securities by the Federal Reserve Banks reached higher levels than they did during World War II and the Korean War. As of Oct. 4, 1961, the record holdings of U. S. Government securities bought outright by the 12 Federal Reserve Banks amounted to $27,932,000,000. [*Ed. Note:* They reached $28,276,000,000 on Oct. 11 and declined to $27,983,000,000 on Oct. 18, 1961.]

On the basis of the relationship since 1919 between the investment account of the reporting member banks and the Dow-Jones industrial average there is justification for expecting new highs in the stock market. Certainly the historical record shows that every major bull market peak since 1919 was preceded by a high in the investment holdings of the member banks. Unfortunately, for the purpose of accurate stock market timing, the high in the investment account could precede the high in the market by many months. In an attempt to narrow the differential in time between the high in bank investments and the high in stock prices, Col. Ayres in January 1923 evolved the concept of a daily market—index based on advances and declines as a check against the conventional price indexes.

Relation of Breadth to Market Peaks

How helpful the breadth index has been in solving the problem of more precise timing of stock market tops is shown in the following table giving the months in which investments, the breadth index and the Dow-Jones industrials established important highs:

Investments	Breadth Index	Dow-Jones Industrials
May 1919	Oct 1919	Nov 1919
Jun 1928	July 1929	Sep 1929
July 1936	Jan 1937	Mar 1937
Sep 1947	May 1948	Jun 1948
Oct 1954	Mar 1956	Apr 1956
	July 1956	Aug 1956
	May 1957	July 1957
Aug 1958	Mar 1959	Aug 1959
	Dec 1959	Jan 1960
Oct 1961?	?	?

This past performance record would appear to justify the projection of further advance to new highs in the Dow-Jones industrial average.

Longer-Range Outlook

Having mentioned the reasons that I believe justify the projection of new highs in the industrial average I would like to consider some of the uncertain aspects connected with the longer-range outlook for the market.

First, I don't like a New Era stock market that in this month becomes seven years old. In this connection I wish to emphasize the fact that I do not use the term New Era loosely. A New Era rating is earned only when a representative stock market average reaches higher levels than it ever previously attained. This means that in October, 1954 when the Dow-Jones industrial average exceeded its September, 1929 high at 381, this great nation was faced with the problem of the sixth New Era stock market since the 1830s.

The five previous New Era booms did not average more than two years of abnormal stock market speculation and the first four reached their high points well in advance of the final peak in general business activity. In the railroad building boom of the 1830s, the stock market reached a high in May, 1835 while business activity did not reach its peak until May, 1837. In the post-war boom of the 1860s the market made its high in May, 1869 while business continued to advance until January, 1873. The New Era of the early 1880s saw the stock market peak in June, 1881 and the high for industrial production in March, 1882. The high of the stock market in our fourth New Era was January, 1906 while business continued to advance until May, 1907.

Banking Reform After 1907 Panic

What interests me most about the present situation is the fact that in order to make sure there would never be another panic and depression like 1907 the government replaced the old inelastic National Banking System with the modern elastic Federal Reserve System. This permitted the great New Era Bull market of the 1920s to run beyond the peak of industrial activity in July, 1929 and produce the combined financial and industrial cataclysm of the 1930s. And then to make sure that there would never be another stock market boom like 1927-1929 the government created the Securities and Exchange Commission and gave control over stock market margins to the Federal Reserve Board. The fascinating result has been that instead of one New Era peak in two years of excited market speculation, there have been seven years of hydra-headed speculation and no assurance that the end is in sight.

Industrial Production and Market Trends

The new all-time high reached during July by the Federal Reserve Board's index of industrial production has been generally regarded as indicating the probability of a continued advance in average stock prices running well into 1962. However, there is an important technical problem connected with the assumption that a new high in industrial production will be followed by a sustained major advance in the stock market.

At the present time the breadth-price relationship in the market is not as favorable as it was when new highs for industrial production were recorded in April, 1950, April, 1955 and March, 1959. When the FRB index advanced to an all-time new high in April, 1950, the Dow-Jones industrial average and the breadth index were both in gear at new highs from their 1932 lows.

In April, 1955 as industrial production reached new record highs by exceeding the July, 1953 peak, breadth and price advanced together to all-time new highs from their September, 1953 low points. Following the business recession from February, 1957 to April, 1958, industrial production reached new record highs in March, 1959 with breadth and price both in gear during the sustained recovery from their 1957 lows. However, a breadth-price divergence developed following the March, 1959 highs, foreshadowing a series of important intermediate reactions between June, 1959 and October, 1960.

More Complicated Technical Problem

At the present time the market is faced with a more complicated technical problem than in April, 1950, April, 1955, and March, 1959. As industrial production reached new record high levels in July, 1961, the Dow-Jones industrial average also advanced to a new all-time high. Unfortunately, however, the breadth index was not in harmony with the new highs recorded by industrial production and the industrial average. Not only was the breadth index down from a high for the year reached in the middle of May, it was also far below its high established in March, 1959.

In view of this breadth-price performance there is justification for questioning the ability of the market to do as well as it did following the new high in industrial production in April, 1950. At that time, with breadth and price in gear, the average and breadth continued to advance until February, 1951, ten months beyond the new record peak in production. The industrial average advanced from 215 to 255, a net gain of 18%.

After the production index in April, 1955 exceeded its July, 1953 high, breadth and price continued to advance to make new highs together in March, 1956. This was 11 months following the attainment of new all-time highs in production. From the highest closing level in April, 1955 to 430, the industrial average advanced to 513 in March, 1956 as the breadth index reached its high. This was a net gain of 19% in the average.

In the present situation breadth did not wait for industrial production to reach new highs. From a top reached on May 17 the breadth index started a decline that cancelled all of the gain recorded since January. There thus can be no 10 or 11 months during which breadth and price can continue to advance together to new

highs following all-time new highs recorded by the Federal Reserve Board's index of industrial production. While no positive selling indication has been given by the breadth-price relationship, the technical position is not as favorable as on previous occasions when the production index advanced to record high levels.

Bank Investments in Two New Eras

During the New Era phase of the stock market in the 1920s, the investment holdings of the reporting member banks advanced from a low of $5,148,000,000 in January, 1927 to $6,193,000,000 in June, 1928. Industrial production recovered from a low in November, 1927 to a high in July, 1929. From June, 1928 to October, 1929 the investment account of the member banks declined to a low of $5,418,000,000. The two swings in bank investments during the New Era years of 1927-1929 thus amounted to an increase of $1,045,000,000 and a decrease of $775,000,000.

In the stock market boom of the 1950's the manipulation of the investment account has been much more dramatic. From May, 1953 to October, 1954 member bank investments increased from $36.3 billion to $46.2 billion a net gain of $9.9 billion that helped the industrial average exceed the 1929 New Era peak at 381. In July, 1953, when the Federal Reserve Board reduced legal reserve requirements for member banks, industrial production was at record highs and proceeded to decline to March, 1954. The stock market ignored the business recession as it launched its sixth New Era boom that carried the industrial average to 521 in April, 1956.

Expansion of the investment account was reversed in October, 1954 as it became obvious that the low of the recession had been reached in the spring. Between October, 1954 and September, 1957 investments of the reporting member banks declined $14.1 billion to $32.1 billion. The industrial average between July and October in 1957 broke from 520 to 420. In November the Federal Reserve announced the first of four reductions in the rediscount rate. By August, 1958 the investment holdings of the reporting banks had increased $11.4 billion to $43.5 billion and in the following month the industrial average broke through the 1956 highs and was on its way to a second peak at 685 in the greatest New Era of them all. It must be conceded that government controls and sponsorship have been extremely helpful.

*An address by Mr. Hughes before the New York Society of Security Analysts, Oct. 19, 1961, New York City.

Dempsey-Tegeler Adds

(Special to The Financial Chronicle)

FULLERTON, Calif. — Emerald Dalton has been added to the staff of Dempsey-Tegeler & Co., 623 North Harbor Boulevard. He was previously with Powell, Johnson & Powell, Inc.

Now With Morgan

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — Robert Reinman is now with Morgan & Co., 634 South Spring Street, members of the Pacific Coast Stock Exchange. Mr. Reinman has recently been with Morris Cohon & Co. and Raymond Moore & Co.

Reilly Securities Corp. Formed in N. Y. City

Reilly Securities Corp. has been formed with offices at 39 Broadway, New York City. Officers are Kevin F. Reilly, president; Donald B. Reilly, vice president and secretary; and James M. Flannery, treasurer.

Inflation and Deflation: England's Current Paradox

By Paul Einzig

Concurrent paradox of inflation and deflation now said to be inflicting Britain with fateful consequences, a condition found existing, too, in the United States, is compared to analagous events leading to the Roman Empire's decline. Dr. Einzig castigates trade union "suicidal" and governmental policies that permit over-consumption and encourage idle-capacity as well as under-investment.

LONDON, Eng.—During the centuries of the decline of the Roman Empire, inflation and deflation had been running concurrently. The silver denar, used in everyday payments by the public, was progressively debased and its quantity increased. The result was a nonstop inflationary rise in prices. In industry and wholesale trade, however, gold by weight was the medium of payments, and its volume was declining as a result of the adverse trade balance with the East and the exhaustion of the most important mines. The result was that trade was handicaped by the deflationary effect produced by the inadequacy of the quantity of gold. The Empire was getting the worst of both worlds.

In present-day Britain, too, inflation and deflation are running concurrently. Wages and salaries are increasing in spite of the official policy aiming at preventing their increase. The Government itself has made a number of exceptions and higher wages have been or are about to be conceded also in private industry. The result is that consumer demand is inflated, especially as production is not increasing, or is only increasing at an unsatisfactory rate. On the other hand, the credit squeeze does prevent an expansion of capital investment and industries are under-employed, so that from this point of view deflation is running concurrently with inflation.

The circumstances of the paradoxical state of affairs today are quite different from those of 18 centuries ago. Nevertheless, the lessons of the past should serve as a warning to present-day Britain. In our days, as during the decline of the Roman Empire, inflation stimulates consumer expenditure to such extent that there is a perennial adverse trade balance. It is true, the gold lost through it is replaced by borrowing abroad, which was impossible 18 centuries ago. But the efforts to check the outflow of gold caused by overconsumption are handicapping productive efforts, just as the inadequacy of gold supplies did in Rome during the early centuries of our era.

Perhaps the decline of the Roman Empire could have been checked by vigorous monetary and economic policies cutting down the volume of bread and circuses distributed among the idle or semi-idle population of the Metropolis and the volume of oriental luxuries imported for the benefit of the wealthy classes. Wage restraint and dividend restraint in Britain in our days pursues that very end. But so far there are no indications that they pursued it effectively. Unless all those concerned can be made aware of the fatal consequences of allowing the conflicting currents of inflation and deflation to proceed concurrently Britain is fated to decline.

Inflicts U. S. A. Too!

Nor is Britain alone in this respect. Current consumption is running too high, also, in the United States, hence the precarious balance of the international accounts. There is not enough left to enable the United States to maintain their predominant position in the international economy. From time to time disinflation becomes necessary, even if it is applied on a more moderate scale than in Britain.

The dollar would be infinitely stronger, and so would be American financial and political influence in the world, if the rise in the standard of living since the war were to be followed by a period of consolidation during which export surpluses, comparable to those of earlier postwar years could be built up. This would enable the United States to replenish the gold reserve and to spend all that is needed on national defense at home and abroad.

Unless and until trade unions in Britain, the United States and other Western countries can be made to realize that in the long run the prosperity and even the survival of their countries depends on their willingness to moderate their demands, there is no hope for the Western world to benefit by its industrial superiority. That superiority itself is dwindling down rapidly and is certain to disappear unless the trade unions give their countries a chance to increase the output.

In Britain in particular the inter-union scramble for higher and higher wages is rapidly approaching the stage at which it reduces itself to absurdity. At the time of writing, two strikes by a small number of key men compelled a leading automobile concern and a leading steel concern to dismiss many thousands of their workers. In the case of the steel firm in particular, this situation has arisen through a fantastic wage demand by a few hundred bricklayers whose job is to keep the furnaces in good condition. Their weekly earnings are at least twice as high as those of the steel workers, but they want even more. As their work does not require skill, it would be possible for the steel workers, in order not to lose their livelihood, to reconstruct the furnaces, as and when they deteriorate. But any such act would be condemned by the entire trade union movement as "blacklegging." So the steel workers had to be dismissed and production had to be stopped.

Trade Unionism Run Mad

This is only one of the innumerable instances of the length to which trade unionism run mad can go on its suicidal course. Even the unemployment resulting from this inter-union scramble does not result in a moderation of the pressure for high wages. The shipbuilding workers, whose industry is hardly able to compete with foreign rivals, have just asked for a wage increase of £2 a week, plus the 40-hour week. It is no longer in shillings that increases are demanded but in pounds.

The Government is criticized for trying to set aside arbitration as a means for settling wage disputes during the period of the wage restraint. Yet that system has become utterly discredited. All the unions have to do is to ask for twice the raise they really hope to get, and the arbitrators—some of whom have built up a high reputation for their Solomon-like wisdom — can be depended upon for awarding them half of what they had asked for. No wonder the Government is less than enthusiastic for allowing such Santa Clauses free hand to wreck the policy of wage restraint.

Phila. Secs. Ass'n to Hear

PHILADELPHIA, Pa. — William G. Hamilton, Jr., President of the American Meter Company, will be guest speaker at a luncheon meeting of the Philadelphia Securities Association to be held on Wednesday, Nov. 8, at The Warwick Hotel, Philadelphia.

Frederick T. J. Clement of Drexel & Co. is in charge of arrangements.

Named Director

Arthur G. Altschul, a General Partner of the investment banking firm of Goldman, Sachs & Co., has been elected a Director of Associated Dry Goods Corporation, Robert J. McKim, Chairman of the Board of Associated, has announced.

Monetary Discipline in An Expansionary Era

By Per Jacobsson,* *Managing Director of the International Monetary Fund, Washington, D. C.*

Panoramic, perceptive appraisal of the world's improving currency situation and, notwithstanding this, the new unfolding currency problems, precedes recommendation to increase the size and composition of the IMF's resources. The Fund's manager prefers doing this by arranging firm borrowing from main industrial countries rather than by (1) increasing particular quotas or (2) parting with its gold holdings to replenish its convertible currencies needs. Dr. Jacobsson denies that the movements of short-term funds will impair the financing of trade or cause the present "gold-exchange standard" to break down. He makes clear that the Fund under Article VI can use its resources for capital transfers; directs attention to the transition of IMF aid from current account to capital transfers. He defends Fund's stabilization program; and abjures inflationary methods of financing.

Per Jacobsson

This year's Annual Meeting held in Vienna brings back memories of quite a long time ago—of the time of the League of Nations Reconstruction Scheme for Austria after the First World War. In the summer of 1925 I served as one of the secretaries to Mr. Walter Layton (now Lord Layton) and the late Professor Charles Rist, who had been asked by the League Council to report on the economic position of Austria. These two experts came to the conclusion that Austria was economically viable; but when they made their report at the League of Nations Headquarters in Geneva there were those who thought that they had been too optimistic and dubbed them, after a vaudeville show then running in London, "the co-optimists." This time, however, the optimists proved right. Whatever the vicissitudes through which this country has had to pass, it has undoubtedly established itself as a proud and independent country, thanks to the fortitude, resilience, and vitality of its people: qualities as deeply rooted in them as those of charm and good humor, which are perhaps more readily apparent.

A year ago, when our Annual Meeting was held in Washington, 68 countries were members of the International Monetary Fund. Today we have 73 members. Thus in the last 12 months five new members have joined the Fund—Laos, Nepal, New Zealand, Nigeria, and Portugal. A number of other countries have applied for membership, and it is expected that several will be able to sign the Articles of Agreement in the next few months. The increase and expected increase in membership reflect the emergence in recent years of many new countries, particularly in Africa, all of whom we shall be glad to welcome as members of the Fund; but I think it also indicates a growing appreciation of the usefulness of the Fund as a center for consultation and as an institution capable of rendering valuable service to all its members. I would think that the usefulness of the Fund has been made even more evident by the intense activity in the year since our last Annual Meeting. In this year not only have the financial operations of the Fund been larger than in any other year of the Fund's history, but there has also been very considerable activity in other ways.

It might be of some interest to examine the developments of this last year against the background of the situation at the end of 1959 and early in 1960. Many countries were, of course, faced with difficulties, but world economic activity was generally at a high level, and showed signs of increasing. The adoption of external convertibility by a number of European countries at the end of 1958 had clearly been successful, and there had been an almost all round increase in their gold and foreign exchange reserves. The rise in the general price level had been mucn less accentuated during 1958 and 1959, holding out the hope that the postwar inflation had at last been contained.

The improvement in the monetary position was underlined by the acceptance early this year of the formal convertibility of their currencies, under Article VIII of the Fund Agreement, by 11 countries: Belgium, France, the Federal Republic of Germany, Ireland, Italy, Luxembourg, the Netherlands, Peru, Saudi Arabia, Sweden, and the United Kingdom. This was greatly to be welcomed, and brought the total number of countries wihch have accepted the obligations of Article VIII to 21. It is also satisfactory that we have now started regular consultations with Article VIII countries in accordance with the view expressed by the Executive Directors in their decision of the first of June last year.

New Problems Created by Convertibility

The growing freedom for the international movement of funds, as a result of the increased convertibility of currencies, and the greater stability of prices — so welcome in themselves — have, however, created new problems which the world has not had to face since the start of the Second World War. Some of these problems were discussed at our last Annual Meeting, others have developed since that time. I believe that much of the disquietude that has arisen in this new situation has not really been justified, but while it lasted it certainly exerted a disturbing influence. In the United States, mainly under the impact of a change in inventories once prices had become more stable, industrial production declined from the spring of 1960 and unemployment increased to the highest percentage since the end of the war. In the spring of this year, however, business activity began to recover so that the setback proved to have been of short duration. Even so, it was not without influence on the international monetary situation. As was natural in a period of recession, interest rates in the United States declined; and with boom conditions and fairly high interest rates ruling in most European countries, it was to be expected that there would be an outflow of funds from the United States. This outward movement coincided with growing misgivings about the competitive power of the United States economy, and also with some apprehensions connected with the election. A temporary flight from currencies into gold led to a steep rise in the price of gold in London which in turn intensified these fears and gave an impetus to fresh rumors and speculations.

All this occurred at a time when there was a remarkable and continuing improvement in the basic position of the United States balance of payments. Imports were tending to fall as a result of the decline in business activity, but exports had risen substantially, and there was a trading surplus for the whole of 1960 of more than $4,500 million. Together with the net income from investments and services, the United States had available some $6,000 million to meet government expenditure abroad, including military expenditure and official assistance of all kinds. Thus the only uncovered foreign payments were of a capital nature — private long-term investments abroad and the outflow of short-term funds. Towards the end of the year and in the early months of 1961, the net income from trade and services rose further, and was sufficient to cover practically all the long-term private investment abroad at the current rate, in addition to government expenditure abroad.

It was in this improving situation early in February that the President of the United States made his statement that steps would be taken to safeguard the value of the dollar, and that the dollar price of gold would be maintained. In addition, the President declared that "The United States has never made use of its drawing rights under the International Monetary Fund to meet deficits in its balance of payments. If and when appropriate, these rights should and will be exercised within the framework of Fund policies." Assisted by reductions in discount rates in Europe and a determination to avoid any great decline in short-term rates in the United States, the outflow of short-term capital subsided, and, with certain advance repayments from abroad, there was a substantial improvement in the over-all balance of payments.

The United States trade balance was helped by the strong boom which continued in most industrial countries in Europe, as well as Japan. Compared with 1959, these countries increased their imports by about 20% in 1960, and this was sufficient to lift he volume of world trade by about 10%. Even such a large increase in European and Japanese imports was not sufficient to raise the general level of raw material prices, which in fact, slightly declined over the year. Since many of the less developed countries are dependent on the export of only one or two primary products, even a relatively moderate decline in the prices of these products may create difficulties in their balance of payments, and with only slender reserves to fall back on, many have turned to the Fund for financial assistance. Thus the general weakness in the prices of raw materials and foodstuffs has been reflected in the work of the Fund, which has had an unusually large number of transactions with the less developed countries.

Assisted 32 Members

In all, 32 countries from all the continents of the world have received financial assistance from the Fund or have had drawing rights under stand-by arrangements during the period since our last meeting. With the exception of the United Kingdom, all of these countries can be said to depend largely on the export of primary products. But the balance of payments difficulties which these countries have experienced have not as a rule been solely due to weakness in the prices of their export products for many have also suffered from excessive internal demand connected with their own credit and fiscal policies. As long as the general level of prices on world markets was still rising, it was possible to expect that in the individual countries a certain amount of credit expansion would be absorbed by rising prices; but now that the general price level is more stable, an expansion of credit beyond the current requirements of the economy is likely to be reflected with little delay in a deficit in the balance of payments. In several cases the situation has been rendered more difficult by the continued maintenance of complex and discriminatory exchange systems. With the widespread desire to establish or maintain orderly monetary conditions and to simplify exchange systems, Fund assistance has generally been requested in support of fiscal, monetary or exchange programs and the assistance has been given in the form of stand-by arrangements. In fact, of the 22 countries which have drawn from the Fund during the past year, all but three have entered into a stand-by arrangement.

It would clearly be impossible for me to discuss in detail all these financial operations of the Fund. I should, however, like to mention briefly a few which have had unusual features and which seem to me to be of particular interest.

Yugoslavia's Arrangement

First of all, I should like to say a word about the drawing and stand-by arrangement granted to Yugoslavia at the end of last year. A total of $75 million, together with substantial credits from the United States and a number of European countries, was made available to Yugoslavia in support of an extensive exchange reform and program of trade liberalization designed to strengthen the Yugoslav economy and to integrate it more closely with the world economy. The immediate drawing, of the equivalent of $45 million, was made in six currencies—French francs, deutsche mark, Italian lire, Netherlands guilders, sterling, and U. S. dollars, and this was the first occasion on which a drawing was divided among a large number of currencies in accordance with the policy of diversifying the currencies to be used in drawings and concentrating on the currencies of countries with strong payments and reserve positions. The drawing of Italian lire was the first that had been made in that currency.

Chile's Earthquake and Copper Problems

The operation with Chile in February of this year also contained a number of special features. The financial difficulties created by the earthquakes in May, 1960, and uncertain prospects for the world price of copper, led Chile to enter into a stand-by arrangement with the Fund for the equivalent of $75 million in order to help maintain its program of economic stabilization. At the same time, Chile drew Argentine pesos amounting to a further $16 million to be used in partial settlement of the balance accumulated by Argentina under the bilateral trade and payments agreement between the two countries, which had already been terminated in anticipation of the transaction. This was the first time that a Latin American currency had been drawn from the Fund, and the first time that the Fund's resources had been used directly to assist a member to terminate a bilateral arrangement in accordance with an Executive Board decision taken in 1955. In addition, Chile was the first country whose outstanding draw-

ings and available drawing rights under a stand-by arrangement exceeded the equivalent of 100% of its quota.

Four particularly large transactions—with Australia, Brazil, India, and the United Kingdom—have been carried out during the last five months. In these transactions the policy of diversifying the currencies to be drawn and concentrating on the currencies of countries in strong payments and reserve positions was continued.

The transaction with Australia in April, which involved a drawing totaling the equivalent of $175 million in seven currencies and a stand-by arrangement for an additional $100 million, was made in support of the government's efforts to improve its foreign payments position by means of fiscal, monetary, and other measures. These efforts have been most successful, and I am happy to be able to add that, in view of the improvement in the position, the Australian authorities cancelled the stand-by arrangement early this month after it had been in effect for only four months instead of a year.

Under the stand-by arrangement concluded with Brazil in May, the equivalent of $160 million was made available to support a broad financial program of fiscal, credit, trade, and exchange measures, designed to combat inflation and to achieve balance of payments equilibrium within the framework of a free and simplified exchange system. In addition to the stand-by arrangement, the Fund agreed to the rescheduling of the repayment of previous drawings totaling the equivalent of $140 million. The arrangement with the Fund has been supplemented by substantial credits from other sources and by renegotiation of Brazil's medium-term foreign obligations. Rapid advance has been made in unifying the exchange system, and early in July the Brazilian Government transferred all payments which had previously been affected at preferential rates to the free market.

The drawing by India approved in July, which totaled the equivalent of $250 million, was made in six currencies. This included a drawing in Japanese yen, the first occasion on which a member country had drawn an Asiatic currency from the Fund. India, whose foreign exchange reserves had fallen to a low level, requested the drawing at a time of seasonal reduction in certain raw material exports, and in order to bridge the time-lag in the receipt of development aid under the Third Five Year Plan.

With these large transactions and the many smaller ones, it is clear that the Fund has done much to assist countries, both large and small, which are endeavoring to diversify their production and generally to develop their economies, but which still depend mainly on the export of primary products. In so far as such development is financed by long-term foreign capital, the actual use of these resources will normally be reflected in a deficit in the *current* account of the balance of payments. Provided that the other elements of the balance of payments are in equilibrium, this current account deficit would be matched by the external financing, and there would then be no over-all deficit. When this has not been the case, requests have frequently been made to the Fund for financial assistance, and then the purpose of the assistance granted has been to help the countries concerned to put their over-all situation in balance. The three to five years for which such assistance has been granted has been intended to provide the time needed for the appropriate measures to take effect, and thus to relate the long-term development to the available long-term finance.

Prelude to Britain's Difficulties

Turning now to the transaction with the United Kingdom last August, I would like to describe briefly the background of the international movements of funds which preceded it. I have already referred to the large movements of funds out of the United States last autumn and winter—partly to take advantage of high interest rates in Europe. A part of this flow went to the United Kingdom, where a construction boom and a marked increase in investment in plant and equipment had led to a substantial demand for finance, and, consequently, to a high level of interest rates. The inflow of funds from the United States and other centers led to an increase in reserves, in spite of the deteriorating position of the current account of the United Kingdom balance of payments. The British Government used part of the increase in reserves to repay in advance the drawing made from the Fund in 1956, and also to reduce the Fund's holdings of sterling to 75% of quota.

Following the statement made by the President of the United States in February, the outflow of funds from the United States was sharply reduced, but there was still a movement of funds into a number of countries on the Continent in Europe, especially Germany, due at least in part to continued rumors about the revaluation of the deutsche mark. The revaluations of the deutsche mark and the Dutch guilder by 5% early in March, however, gave rise to a new crop of rumors about further currency changes. All this proved very damaging to confidence, particularly in sterling because of the deterioration on the current account of the United Kingdom balance of payments. The authorities in the countries concerned strongly denied the rumors, but to small avail. It was even believed that the Swiss franc would be revalued, despite the growing deficit on the current account of the Swiss balance of payments, to which the Swiss National Bank drew attention.

Basle Agreement of Central Bankers

In this situation a number of central banks — members of the Bank for International Settlements in Basle, as well as the Federal Reserve System of the United States—decided to cooperate more closely in the spot and forward exchange markets and in the granting of credits. In this way substantial resources were provided in aid of sterling, but this in itself did not arrest the outflow of funds from London. Steps were needed to remove the imbalance in the British economy and to obtain the external resources required while the steps were taking effect. Using, *inter alia*, certain powers proposed in the budget that had been submitted in April and voted in July, the British Government introduced towards the end of July a comprehensive series of fiscal and monetary measures and certain other policies, designed to eliminate the deficit in the current account of the balance of payments, without imposing any restrictions on trade or current payments and, in particular, to restore confidence in sterling at the existing rate of exchange. The measures adopted by the United Kingdom showed the government's determination to deal with both the immediate situation and developments over a longer period, particularly in relation to future budget expenditure and the level of costs.

In support of these measures, the United Kingdom drew from the Fund the equivalent of $1,500 million in nine currencies: U. S. dollars, deutsche, marks, French francs, Italian lire, Netherlands guilders, Belgian francs, Japanese yen, Canadian dollars, and Swedish crowns — the first time the latter currency had been drawn from the Fund—and, in addition, entered into a stand-by arrangement for the equivalent of a further $500 million. The United Kingdom authorities announced that of the amount drawn the equivalent of some £200 million would be used during the following month or two for repayments of credits. This transaction with the United Kingdom was by far the largest ever entered into by the Fund, and in order to replenish its holdings of the currencies drawn, the Fund sold gold valued at $500 million to the countries concerned, in the proportion of one-third of the United Kingdom drawing in each currency.

The six transactions which I have mentioned are noteworthy for the size of the amounts involved and other special features, but it would be a false picture of the Fund's activities if it were concluded that the transactions with other countries had not also been of real importance. Perhaps the simplest way for me to indicate the wide range of Fund transactions is to enumerate all the countries which have received financial assistance from the Fund over the last 12 months. Twenty-two countries have drawn from the Fund, namely, Argentina, Australia, Bolivia, Brazil, Ceylon, Chile, Colombia, Ecuador, El Salvador, Honduras, India, Indonesia, Iran, Mexico, Nicaragua, Paraguay, South Africa, Turkey, both the Egyptian and the Syrian Regions of the United Arab Republic, the United Kingdom, and Yugoslavia. In addition, ten countries—Costa Rica, the Dominican Republic, Guatemala, Haiti, Iceland, Morocco, Peru, Spain, Uruguay, and Venezuela — have had stand-by arrangement in effect during the year, although they have not found it necessary to make use of their drawing facilities. In fact, Spain felt able to cancel its stand-by arrangement with the Fund five months before it was due to expire.

It is of interest to note that 18 of the 20 Latin American Republics are included in this list. Over the years, Latin American countries have drawn the equivalent of some $1,100 million from the Fund. With the equivalent of a further $400 million available under unused stand-by arrangements with 16 of them, it is clear that the Fund has played a significant role in assisting the countries of Latin America in their efforts to overcome financial and economic difficulties.

Fund's Holdings Are Low

With all the activity during the past year, drawings on the Fund have totaled the equivalent of nearly $2,500 million. So large a use of resources has had a marked effect on the Fund's holdings of currencies suitable for transactions at the present time. Even after the replenishment of these holdings by the sale of gold at the time of the drawing by the United Kingdom, the Fund's holdings of several convertible currencies are very low. In addition, it has to be remembered that there are open balances under stand-by arrangements equivalent to almost $1,100 million.

It had, indeed, become apparent at the end of last year, at the time of the strong outflow of short-term funds from the United States, that if the Fund were faced with substantial drawings by a number of countries with large quotas, its available holdings of convertible currencies would in all probability be inadequate. This has been borne out by the experience of the last few months. The Fund can of course make use of its gold holdings, but these are not necessarily revolving, and once they have been used for the replenishment of currency holdings they may not readily be restored by repurchases in gold. The Fund should therefore generally be careful in the use of its gold and should take into account other possibilities for replenishing its currency holdings, for instance, by the borrowing of particular currencies under Article VII of the Fund Agreement.

However, borrowing of currencies is not a method of replenishment that can suddenly be improvised. For this and other reasons, the whole complex of problems connected with such borrowing needs to be closely examined and brought to an effective solution. Consideration of these problems should be set against the wider background of the international monetary system. In the vivid discussions on the merits and demerits of the present system which have taken place in recent years and months, attention has largely been devoted to the tensions which may result from the international flow of funds in a world of convertible currencies, and, as many know, a number of suggestions have been put forward advocating more or less radical changes in the existing monetary arrangements. It has been valuable that these matters have been so vigorously discussed, and the first question we have to ask ourselves is whether the present system can be regarded as operating in a sufficiently satisfactory manner to be worth maintaining. If that question is answered in the affirmative, then we must consider whether any particular measures should be taken to strengthen the existing institutional arrangements so as to provide sufficient safeguards to meet any dangerous tensions that may arise.

On the whole, I believe the system has worked well. It would indeed be difficult to conclude otherwise in the light of the great gains that have been made in recent years. In the purely monetary sphere external convertibility has been established for a

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broad range of currencies, and with the better distribution of reserves, there is an increasing measure of freedom for capital movements. There has been a parallel development in the ever growing liberalization of trade and, under conditions of relatively stable prices, international trade has been increasing at an annual rate of about 4% in recent years, reflecting by and large a corresponding rate of growth in world production. These are no mean achievements.

Durability of Present Gold Exchange Standard

But in spite of these achievements there have been periods of tension and unease. I do not think that the movements of short-term funds from one country to another have impaired the financing of trade or the flow of goods, but it is largely the fears that these movements have aroused that have led to the questioning of the soundness of our present system. In some quarters doubts have been expressed whether the system under which countries hold part of their international reserves in currencies (which is known as "the gold exchange standard") will work satisfactorily in the longer run, and whether this system might not break down as it did in the interwar period. I do not think we need draw that conclusion, for it is important to remember that the currency failures which occurred in the early 1930's were caused not by inflation, but by widespread deflation, by a fall in prices which made itself felt first in the United States and then in Europe. I am sure there will be no similar deflation now, for there has been such a change in the objectives of the authorities that sufficient measures would surely be taken to prevent such a calamity, if it seemed to be threatening. Secondly, in the 1930's the exchange reserves of many of the European countries have been acquired by large-scale short-term borrowing, and melted away when the short-term loans were not renewed: today most countries are the true owners of their exchange holdings. A third difference is that the International Monetary Fund today stands behind the nations' reserves, supplementing them within the framework of its principles and practices and working at all times to promote international monetary consultation and collaboration; there was no similar international agency in the interwar period.

Confident of U. S. and U. K. Domestic Policies

Today two currencies, the United States dollar and sterling, are the main reserve currencies. There is no doubt in my mind that the authorities in the United States and the United Kingdom are determined to pursue policies which will ensure confidence in the stability of their currencies. Of the outstanding short-term U. S. liabilities, about two-thirds are in the hands of foreign central banks and governments, and the remainder is largely held by commercial banks and business firms. For sterling the proportion is very much the same. There are thus substantial amounts of these currencies in private hands, and with convertibility, liquid resources owned by business firms and banks can now with little or no difficulty be shifted from one country to another. There is indeed no lack of international liquidity in private hands, but for this very reason it is important that there should be adequate resources in official hands to meet the possible impact of international movements of private funds.

As indicated in the Report of the Executive Directors, the Fund has been studying in the course of this year a broad range of problems, some of general import and some of a more detailed technical, legal or institutional character connected with this situation. It is possible to summarize the main issues that have been considered in the form of three questions. To begin with, what are the payments difficulties for which the Fund's resources may be made available under its Articles of Agreement? Secondly, how can the Fund best use its resources to meet these difficulties? And, finally, what resources are required to meet the difficulties, and are the Fund's available resources adequate to do so?

Funds Aid Transcends Current Account to Capital Transfers

On the first question, the Executive Directors have discussed the extent to which the Fund's resources may be used for helping to meet those deficits in the balance of payments of members that go beyond the current account and are attributable, in whole or in part, to capital transfers. From a purely practical point of view, there is of course great difficulty in separating current and capital payments under a system of convertible currencies. After a thorough examination of the various aspects of the problem, the Executive Directors have clarified the understanding of the Articles of Agreement, and in that way eliminated any doubt which had not already been dissipated by the practice of the Fund, that the Fund's resources can be used for capital transfers, in accordance with Article VI and the other provisions of the Articles. If a country facing an outflow of capital were to turn to the Fund for assistance, the test to be applied by the Fund would be in accordance with its accepted principles, i.e., that appropriate measures were being taken, so that the disequilibrating capital outflow would be arrested and assistance provided by the Fund would be repaid within a maximum period of three to five years.

The answer to the second question—how the Fund can best use its resources—must take into account the strengthening of the current position and reserves of several member countries and the increased number which have accepted the obligations of Article VIII. This has made possible the use of a much wider range of currencies held by the Fund, thus increasing the volume of its usable resources. The Fund has therefore sought to diversify the use of its currency holdings in such a manner as to ensure that transactions with the Fund, and their repayment, will be conducted in those currencies which will be most helpful to the world payments situation. In pursuing this objective, the Fund has been guided increasingly by the principle that drawings should be made in the currencies of those countries that have a strong payments and reserve position, while it is to be hoped that repayments will generally be made in those currencies that can be strengthened by their use in this way. There are a number of technical and legal problems to be faced in evolving a satisfactory program for the use of a wider range of currencies in Fund transactions and repayments. Some have already been resolved, others will need further attention. A measure of the success already achieved is shown by the fact that during the last year drawings have been made in 11 different currencies.

As a result of sales of their currencies by the Fund, a number of countries have not acquired increased drawing rights because the Fund's holdings of their currencies have been reduced considerably below 75% of quota. The Fund must always take account of the fact that, should there be a reversal in the payments position, the existence of these increased drawing rights could give rise to appreciable demands on the resources of the Fund.

I come now to the third question—the adequacy of the Fund's resources. It will be apparent from what I have said about the Fund's evolving policies on the currencies that should be drawn that the answer to this question cannot be settled simply by adding up the Fund's holdings of gold and currencies, or even gold and convertible currencies, at any particular time. What is important is to ensure that the Fund has enough of those currencies which it would appropriate to use at any particular time, given the economic conditions of that time and the purposes for which it is appropriate to use the Fund's resources.

I have already referred to the fact that the intense activity over the last year has reduced the Fund's holdings of certain currencies to a very low level, despite the recent sale of gold. But this is more than a transitory problem confined to the present circumstances, and is more than just the question of the Fund's own liquidity. It is vital to consolidate and defend the convertible system built up over the last few years, and to avoid the risk of any relapse into restrictions and currency disorder. In order that the Fund may play its part in this effort and meet the expectations of its members, it must be in a position to provide resources that are adequate beyond doubt to meet any needs that may arise. And in a world in which market fears and expectations play a large role, resources—national and international combined—must not only be adequate to meet demands that may be made on them, but also large enough to convince the public that they are adequate to defend currencies from ill-advised speculation. A substantial reduction in the Fund's holdings of major international currencies could itself become a disturbing factor, long before the point of exhaustion is reached, unless there existed satisfactory arrangements for replenishing these holdings.

Prefers Increasing Resources by Borrowings Than by Enlarging Quotas

All these questions have to be evaluated in the light of the swift changes in the balance of international payments that have occurred in recent years. In the circumstances I cannot conclude that the composition and size of the Fund's resources are adequate to support a healthy international financial structure without further strengthening. The need for additional resources might be remedied by an increase in particular quotas, but in present circumstances, I believe it can be handled more acceptably by firm borrowing arrangements. These would be concluded, in particular, with the main industrial countries, because of the major role they play in the swings in international trade and payments. This does not mean that other countries would have no interest in the conclusion of such arrangements, for the maintenance of a stable and convertible exchange system is as important to them as it is to the industrial countries.

Some of the problems arising from use to be made of the Fund's borrowing powers under Article VII of the Fund Agreement have already been discussed in general terms by the Executive Directors, but many aspects still remain to be considered. An essential step in the conclusion of any borrowing plan is for the authorities in the individual countries to obtain the power to lend to the Fund if they do not already possess it. However, it would not, in my opinion, be sufficient to leave the actual borrowing transaction to an *ad hoc* agreement between the Fund and the lending country under these powers. There is great merit in an assurance that additional resources are available to the Fund for its transactions. The ready availability of resources is itself a contribution to stability and strength. It has time and again been the experience of the Fund that assurance to a member that it has access to the resources of the Fund under the provisions of a stand-by arrangement is in itself a stabilizing factor of great importance; often it has not been necessary for the member to use all or, indeed, any of the drawing rights thus assured. There is good reason to believe that the same sort of benefit would be obtained from credit facilities granted to the Fund.

Borrowing Safeguards

At the same time, adequate provision would have to be made for general safeguards for the lending members. There would, of course, be consultation between the Fund and the prospective lender, and it should be part of the arrangement that the Fund would not borrow from a member country unless the country's payments and reserve position permitted this. Moreover, the arrangement would be such that any member that had lent its currency to the Fund would readily be able to obtain repayment if its own payments position changed. There would, of course, be no question of any weakening of the principles that the Fund has worked out for the appropriate use of its resources. These have stood the test of time in a great variety of circumstances, and we know that they are endorsed by the members of the Fund.

I believe that it should not be difficult to arrive at an agreement that will give due weight to the various aspects of borrowing, and thus to establish a workable system which would be beneficial and acceptable to all the members of the Fund. There are, however, a number of decisions of policy still to be taken.

As is said in the Annual Report of the Executive Directors, the approach to the increase in the Fund's resources by means of borrowing "looks beyond the immediate needs and endeavors to equip the Fund to handle flexibly the many and varied situations that may arise under a system of freely convertible currencies."

When we consider the Fund's role in the monetary system, it is valuable to keep in mind the two complementary aspects of the Fund's financial activities: on the one hand, the granting of financial assistance by the Fund to help countries to meet an unbalanced position; on the other hand, the assurance that the country receiving the assistance will be taking the necessary measures to restore a proper balance. For such measures to be effective, it is indispensable that the authorities in the country receiving the assistance must be convinced that the restoration of the balance is in their true interest. As the Duke of Vienna said in "Measure for Measure," the one play of Shakespeare to be set in this City of Vienna: "The satisfaction I would require is likewise your own benefit." It is precisely when this identity of interest is fully realized that the programs which are supported by Fund assistance can be carried out in a spirit of mutual confidence and the desired success

achieved. For that result, the countries must feel that stability is essential for their welfare as the only true foundation for sustained growth. In taking this view they can be encouraged by the evidence that those countries which have persisted in their efforts, and accepted the transitional difficulties of carrying out a stabilization program, have succeeded in staging an impressive rate of growth.

Decries Inflationary Methods Of Financing

One of the requirements for economic progress is the availability for investment of real resources, and these cannot for any length of time be obtained by inflationary methods of financing. This is an old truth, but it seems that it has to be re-discovered over and over again. To obtain genuine resources requires, of course, effort. At the time when the richer countries are making considerable efforts to provide resources for the aid of the less developed countries, these countries in turn will have to make the maximum effort to mobilize their own resources, and, through stability, create the conditions for the domestic and foreign resources to be used in the most effective manner. In creating these conditions, a great many countries have had the support of the Fund, and there can be no doubt that the Fund has thus contributed to the growth in production and trade that has occurred during the last few years.

All this seems clear enough, but I believe it is not convincing to all minds. While I think that nobody will want to maintain that sustained growth can be based on monetary disorder, there seems not seldom to be a lingering fear that stability will mean reduced economic activity, and even stagnation. It is true, of course, that stability is not enough, for the real national objective should be economic growth. Economic growth can be compared with the construction of a good house, with stability as its foundations. A good house can only be erected on solid foundations. Preparing the foundations, however, is not sufficient. There must be further initiative and activity and the necessary resources must be acquired to complete the building. In some countries it seems that the restoration of monetary stability has almost by itself led to a resurgence of activity, and soon produced the savings to finance it. But this is not always the case; in many countries special domestic efforts are needed, and for these efforts to be effective they have often to be supplemented by international assistance, technical and financial. To introduce monetary stability is often only the beginning of the efforts needed to achieve growth. While the subsequent efforts largely fall outside the sphere of Fund activities, the Fund does not underrate their importance and, insofar as it can, is anxious to assist these efforts in every possible way.

Broadly speaking, the financial assistance given by the Fund helps individual countries to keep in line with general monetary trends in the world economy, while avoiding measures that would be disturbing to international trade. This is an important task, but it does not exhaust the scope of monetary action. Our monetary system has to serve an expanding economy. It is not suggested that credit measures alone can engender a high rate of growth; the fiscal and economic structure and the whole range of social and market practices are of vital importance. It may, for instance, be important to remove maladjustments due to mistaken budgetary policies or in the cost and price structure which would retard growth. The conditions under which foreign trade is carried on are also important—and with the new trading arrangements now being established, particular attention must be paid to these aspects. The Fund in its work is naturally interested in these questions, but pays particular attention to matters of monetary policy.

Under modern conditions, the gold flow does not set fixed limits to the possible expansion of credit or international liquidity. Within each country the credit volume may be expanded in response to demand; and the monetary authorities can also take positive action to stimulate, and provide the basis for, credit expansion. Since the Second World War, on the whole, the problem has been to contain the expansion of credit rather than to stimulate it. All countries have been more or less involved in this process, but those countries that are responsible for a high proportion of the world's production and trade must necessarily play a major role. They are aware, however, that even they cannot act independently of the general trend, and are therefore bound to act in cooperation with each other. Sometimes similar, sometimes complementary, policies will have to pursued according to the ever-changing situation. The methods of cooperation will vary; there will be direct contacts, but there will increasingly be reliance on international institutions.

In Article I of the Articles of Agreement, which sets out the purposes of the Fund, financial assistance by the Fund is only one of the purposes. It is also the objective of the Fund to promote exchange stability and orderly exchange arrangements; to assist in the establishment of a multilateral system of payments; to facilitate the expansion of international trade, and thereby to increase the productive resources of members; and to act as a center of collaboration and consultation. Indeed, without the close contact between the Fund and competent authorities in member countries, it is difficult to see how any of the purposes of the Fund could be achieved. This has been proved time and again to be the case in the annual consultations with Article XIV countries. Already excellent results have been obtained in the consultations that have been begun with Article VIII countries. Here it is a question of voluntary cooperation, and for that reason I believe that these consultations will be more, and not less, effective. The cooperation has to be inspired by the notion that countries have a common interest as partners in the international monetary system. This system has to be strengthened where it is vulnerable; but the policies pursued must be such that the system plays its proper role in the process of economic expansion. To observe, on the one hand, the necessary monetary discipline, and, on the other, to respond to the needs of expansion is no easy task. It raises many problems, but it is my impression that these problems are now being tackled more effectively than ever before, and with greatly increased chances of success.

*A statement by Per Jacobsson in presenting the Annual Report of the Executive Directors of the Board of Governors of the Fund, Vienna, Austria.

Harbor House Secs.

(Special to The Financial Chronicle)

PORTLAND, Me.—Harbor House Securities has been formed with offices at 320 Commercial Street to engage in a securities business. Merritt Dickstein is president and treasurer.

Paul Spear Opens

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — Paul Spear has opened offices at 1220 Fourteenth Avenue, to engage in a securities business.

Hardy & Co. Planning Security Forums

ROCHESTER, N. Y.—The whys, wherefores and pitfalls of investments will be discussed at two forums on Thursday, Nov. 2, at Small Hall, Chamber of Commerce Building, 55 St. Paul Street, Rochester, N. Y. Samuel C. Greenfield, investment adviser to Hardy & Co. will conduct both forums.

Hardy & Co. recently opened offices in Rochester located at 17 Clinton Avenue South.

"Security Investments for Women" will be the subject of the first session.

The evening forum, from 8:00 to 9:30 p.m. will survey the national economy to determine the short- and long-term economic trends and their effects on the movement of securities.

Investment for Security and Income

Mr. Samuel C. Greenfield, Investment Adviser and Consultant to Hardy & Co. will conduct a forum on "Investment for Security and Income."

Place: Small Hall, Chamber of Commerce Building, 55 St. Paul Street, Rochester, N. Y.

Time: Thursday, Nov. 2, 1961 from 8:00 p.m. to 9:30 p.m.

The following topics will be discussed:

(1) "Survey of the National Economy," . . . study of the Gross National Product and Personal income . . . changing economic trend and its effect upon different industries . . . major industrial groupings: steels, oils, chemicals, drugs, food and consumer items.

(2) "Study of One Industrial Group," . . . earning pattern . . . cash-flow . . . price-earning ratio . . . growth situations.

(3) "The Nature of Speculations," . . . new issues . . . special situations . . . tips and inside information.

(4) "Analysis of Market Breaks: 1929, 1937 and 1946."

(5) "General Summary."

Lee Higginson Adds

(Special to The Financial Chronicle)

BOSTON, Mass.—Oliver F. Wadsworth, Jr., has been added to the staff of Lee Higginson Corporation, 50 Federal Street. Mr. Wadsworth was formerly with Stone & Webster Securities Corporation.

Currier & Carlsen Have Denv. Office

(Special to The Financial Chronicle)

DENVER, Colo.—John P. Haggerty and Charles H. Hunley have become associated with Currier & Carlsen, Incorporated of San Diego and Los Angeles in their new Denver office in the Denver Club Building. Mr. Haggerty was formerly Vice-President of Lowell, Murphy & Company, Inc., in charge of trading. Mr. Hunley was Director of the research department.

Also joining Currier & Carlsen, Incorporated in Denver are A. Andrew Brown, Jack G. Cody, James J. Flood, Edward L. Fogle, Connley J. Hartsock, Hilan B. Hecox, Walter K. Johnson, John D. Manes, Wilson C. Nicholas, Verne S. Ressler, Ransford C. Shelley, George S. Warner, and Bernard L. Woody. All were previously with Lowell, Murphy & Company, Incorporated.

R. L. Pike Opens

NETCONG, N. J.—Randall L. Pike is conducting a securities business from offices at 8 Oak St.

Magna Pipe Line Units Offered

Initial public offering of 750,000 units of Magna Pipe Line Co. Ltd., is being made by underwriting groups headed by Bear, Stearns & Co. in the U. S., and James Richardson & Sons, Winnipeg, Man., in Canada. Each unit, consisting of one common share and a warrant to purchase one-fourth of a common share, is priced at $8. The common shares and the warrants will not be transferable separately until Dec. 15, 1961.

Net proceeds from the financing will be used by the company for the construction of two 19½ mile underwater natural gas pipe lines from Ladner, on the British Columbia mainland, to Vancouver Island, with a 75 mile land gas pipeline on the island to the environs of Victoria in the south and Nanaimo in the north. In addition, the company plans to extend this pipeline in 1965 to the towns of Port Alberni and Campbell River on Vancouver Island, and to Powell River in the mainland, as well as to industrial users in the vicinity of the pipeline extension.

The company expects to acquire the assets of Natural Gas Transmission Co., which proposes to construct a natural gas transmission pipeline from Bremerton, Wash. to Port Angeles on the Olympic Peninsula in Washington. This pipeline will be used to transport gas for the account of distributing companies in the Cities of Bremerton, Port Orchard, Port Townsend, Port Angeles and other smaller towns in the vicinity of the pipeline, in addition to selling gas directly to industrial users in the Port Townsend and Port Angeles areas.

Magna Pipe Line Co. Ltd., whose principal executive office is located in Vancouver, B. C., was incorporated as a "private company" under the Companies Act of British Columbia in December, 1953, was converted into a "public company" under British Columbia law in February, 1961. The areas to be served by the company comprise the southeastern portion of Vancouver Island and the Powell River area of British Columbia, and the northeastern portion of the Olympic Peninsula of the State of Washington. The total population of those areas is estimated to aggregate over 400,000.

Charter Industries Stock Offered

The initial public sale of the common stock of Charter Industries Inc., is being made through the offering of 100,000 shares at $4 per share by Standard Securities Corp.; J. J. Bruno & Co., Inc. and Karen Securities Corp.

Net proceeds from the financing will be used by the company for various corporate purposes, including the retirement of short term bank loans; to increase the inventory of product molds; for product and market development; for working capital requirements, and for the purchase of construction of additional production machinery when initial commercial operations indicate that such additional productive capacity is warranted.

Headquartered in New Brunswick, N. J., the company was formed in June, 1960 to engage in the manufacture of molded plastic products through the use of an extrusion-injection molding process which has been used extensively in Europe. A limited number of molded plastic products have been manufactured on a pilot plant basis, such as vinyl sandals, play shoes, soles and swim fins, and the company intends to begin commercial operations with the production of a line of children's vinyl sandals. It is intended to market these sandals and play shoes through volume outlets such as department stores, drug and variety chains, supermarkets and mail-order houses.

Keystone Steel And Wire Corp. Debs. Offered

Hornblower & Weeks and Eastman Dillon, Union Securities & Co. are joint managers of the group that is offering publicly an issue of $20,000,000 Keystone Steel & Wire Co. 4½% convertible subordinated debentures, due Oct. 1, 1981, at 101.50% to yield 4.385%.

The debentures are convertible into shares of the company's common stock at $40 per share, subject to the company's right of redemption. They are redeemable at any time at the option of the company on 30 days' notice at prices ranging from 106% for those redeemed prior to Sept. 30, 1962, to 100% on or after Oct. 1, 1979, plus accrued interest. They are redeemable for the sinking fund after Oct. 1, 1966, at 100% plus accrued interest.

Net proceeds from the sale of the debentures will be used by the company to retire all of its debt and that of the subsidiaries and for working capital.

The company located in Peoria, Ill., produces steel by the open hearth process, its principal broad products groups being semi-finished steel, including ingots, billets and rods; industrial wire; merchant trade products; and building and construction materials. It has three subsidiaries: National Lock Co., which produces a wide variety of fasteners and hardware; Mid-States Steel & Wire Co., which produces industrial wire and merchant trade products; and Wire Specialties Co., which fabricates steel wire into wire mesh for the building industry and other wire products.

Niagara Mohawk Pwr. Corporation Common Offered

Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co., are joint managers of an underwriting group which is offering 700,000 common shares of Niagara Mohawk Power Corp. at $45.625 per share. The group won award of the common shares at competitive bidding Oct. 24 on a bid of $44.777 per share.

Net proceeds from the sale together with other funds, will be used to reimburse the company's treasury; to repay outstanding bank loans incurred to meet construction costs, and to help finance the company's construction program. The program required $80.7 million in 1960 and is expected to require approximately $73.9 million in 1961.

The company of 300 Erie Blvd., W. Syracuse, N. Y., provides electric service in an area in New York State having a total population of 3,400,000, including the cities of Buffalo, Syracuse, Albany, Utica, Schenectady, Niagara Falls and Troy. Electric operations include service to residential, commercial and industrial customers. The company also distributes natural gas in central, northern and eastern New York, an area having a population of approximately 1,500,000.

UBS Distributing Wins Award

For successfully launching a mutual fund by direct mail for the first time, the UBS Distributing Corporation, exclusive underwriter for UBS Fund of Canada, Ltd., was chosen a "1961 Direct Mail Leader" in the annual contest sponsored by the Direct Mail Advertisers Association. A plaque emblematic of the Fund's achievement in attracting 1,311 persons in 45 states to invest $2,305,893 within the 46-day initial offering period was presented to Donald P. Babson (Left), Vice-President and Director of UBS Distributing by Ferdinand Nauheim, partner of the investment firm of Kalb, Voorhis & Co. The award took place during the 4-day 44th annual convention of the DMAA at the Statler Hilton Hotel in New York.

The UBS Fund campaign consisted of three mailings to some 70,000 names and was backed up by a series of double page newspaper prospectus ads which boosted assets of the Fund to $3,486,588 at the end of the initial offering period on December 31, 1960.

Joins Bache Staff

(Special to The Financial Chronicle)

BOSTON, Mass.—Paul F. Ochs, Jr., is now connected with Bache & Co., 10 Post Office Square. He was previously with Kidder, Peabody & Co.

J. Cliff Rahel Adds

(Special to The Financial Chronicle)

OMAHA, Neb.—Gerald H. Hill has been added to the staff of J. Cliff Rahel & Company, First National Bank Building.

A. P. Bosco Opens

(Special to The Financial Chronicle)

VALLEJO, Cal.—Andrew P. Bosco is conducting a securities business from offices at 902 Marin Street.

DIVIDEND NOTICES

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THE MARKET . . . AND YOU

BY WALLACE STREETE

Irregularity persisted in this week's stock market, the general list retreating easily when selling erupted while even the drab markets were brightened by selective demand for a few favored issues.

Neither the buying nor the selling was urgent, and the seesaws were mostly meaningless except in a few cases, such as Texas Instrument, where pressure was persistent. International Business Machines, on the other hand, was busy forging to all-time peaks even when selling was prevalent and, in the process, the shares sold higher than they had closed out last year despite the fact that a 50% stock dividend had been paid early this year.

There was much caution as well as a bit of confusion displayed by investors. With business in general picking up well, a stalemated stock market proved mostly that the sharp gains of early this year had been pretty much discounted in advance.

D-J Average Steady

The market, nevertheless, shows no indication yet of giving ground importantly as far as the averages are concerned. The industrial average has been hovering in a trading range for more than a month without showing any intention of either testing the late September reaction low or of threatening the all-time peak posted early that month. The range between the two is two dozen points.

Some oils were bright spots through dreary sessions but there was no excessive enthusiasm shown. Good earnings statements brought moderate gains to the issues affected. Steels were laggard as the two giants of the industry prepared to disclose their nine-month earnings statements.

Technical indicators were scrambled as they have been for some time. Low-volume indicated more neglect than any selling pressure and day-to-day volume was just apt to dry up on a sell-off as on any rally. New highs ran consistently ahead of new lows, even on a rather hard sell-off that opened the week, but then when the market was making a stand the lows took over leadership to add another confusing touch.

Utilities had been forging ahead steadily, ignoring other sections of the market where there was unrest or even pressure, but they, too, ran out of steam this week as profit-taking cropped up. There are still many utilities that offer above-average yields along with the shelter that this defensive group provides.

Higher Dividend Possibility

New England Gas in the counter market has been available at a yield of around 3¾% while showing a superior growth pattern in an area where stagnation is supposed to be the economic outlook. In five years revenues increased 38% and per-share earnings were up a neat 34% with record earnings still in prospect. As far as dividends are concerned, it has improved the payout in each of the last three years and with steadily improving earnings, it is obviously a candidate for continued improvement in its payments in the future.

New England Gas is benefitting from the spread to the suburbs around Boston, and thus the city is not its prime service problem. Gains of this type are at the expense of other companies. In addition, it serves the area that is rapidly developing into an outstanding research center around Cambridge and serves popular resort areas where electrical heating is being pushed.

Merger Prospects Ignored

The ambling rails continue to amble along without building up much investment interest even in cases where mergers are contemplated. In other sections mergers occasionally lead to spirited action. Even in the case of Central of Georgia which Southern Railway proposes to take over, the market tag on the common is lagging by more than half a dozen points under the purchase price at which Southern will ask for tenders. The preferred is well under the purchase offer that will be made for it if the merger is approved by the Interstate Commerce Commission.

One reason for the lack of enthusiasm for rail mergers is the lengthly course such proposals must take. In the case of the Georgia-Southern plan, however, hearings have been concluded and the report plus the full commission's decision are expected momentarily. Most of the other proposals for rail mergers will not be definitely settled until late next year. In Chesapeake & Ohio's bid to take over Baltimore & Ohio, for instance, hearings were held and briefs have been called for. But the lawyers have until Dec. 15 to file them so no rulings are expected before next year and, with legal action by the protesting New York Central assured in case of a favorable ruling, few rail experts are willing to predict when this merger will either be defeated or consummated.

Switch From Glamour

There was some evidence that what investment interest was around was turning toward the basic companies, such as oils, foods, utilities and such, now that the pinpoint hunt for glamour issues is defintely ended for a bit. One basic company is Ferro Corp. which offers an above-average yield and a price tag that is nearly 30% under last year's high. Its business is largely porcelain enamel frit—the glass material used for porcelain finishes on appliances, building materials and other types of fixtures. In recent years it has built up an important fiber glass business and has other roles in specialty items.

Like other companies operating worldwide, Ferro has found increasing benefits in its foreign operations which resulted last year in record sales that produced two-thirds of the parent company's net income. Domestic results were affected by the business recession, particularly the building and appliance operations. Ferro made a profit turn, however, in the second quarter when every product line but fiber glass showed increased sales and earnings jumped to 79 cents a share against only 50 cents in the first quarter. With the business upswing in general, and an upturn in appliance sales in particular helping along, its prospects for the rest of the year are good and next year looms as a boom one for the company.

Research has expanded Ferro's frit outlook importantly, although specific results are still not on the record. Ceramic-coated automobile mufflers are just starting to build up a new line and other research projects aim at many new markets for porcelain.

An Aggressive Competitor

The interest in food and general merchandise stocks was also a retreat to basic values and the food chains were able to withstand general selling in good style. Giant Food, Inc., an American Exchange issue, showed superior stability when selling was around. The company's stores are located basically in greater Washington, D. C. and its suburbs, which is an area that hasn't been hard hit by the recession.

Giant Food operates more than 50 stores, operates its own bakeries, is setting up a dairy operation that next year is expected to supply the bulk of the company's needs, is planning a dozen new suburban shopping centers to put it into the discount merchandising field—in all is showing that it is an aggressive and optimistic competitor.

For the present, Giant Food is predicting record sales and earnings in the current fiscal year, projecting gains of some 10% for both. Shares are scarce. Management holds three-fourths of the 1.28 million shares of both types. Nevertheless since listing last March, the shares have had a mundane trading life.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Garner Joins Japan Fund

Robert L. Garner, who retired as President of the International Finance Corporation, has been elected President and Director of The Japan Fund, Inc., a diversified, closed-end investment company, incorporated in Maryland, which filed on Oct. 19 with the Securities and Exchange Commission a registration statement relating to an initial issue of 2 million shs. of common stock. It is planned to offer the stock at $12.50 per share, to total $25,000,000.

Robert L. Garner

Managing underwriters of the offering will be Bache & Co.; Paine, Webber, Jackson & Curtis and The Nikko Securities Co., Ltd. of Japan. The latter company will also serve as investment advisor to the Fund, whose assets will be invested primarily in Japanese securities.

With Lenchner, Covato

PITTSBURGH, Pa.—Robert Sablowsky, has joined Lenchner, Covato & Co., Inc., Bigelow Square, as an Account Executive.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Several years ago there was a man named John R. Brinkley who, based in Kansas, made a fortune out of transplanting goat glands to elderly people claiming that it would restore their virility. He operated a powerful radio station and finally came to be a political threat. It seemed that no one could stop him. His radio station was finally taken from him but he moved it into Mexico where he continued to do a lucrative business but ceased to be a political threat.

Mexican radio stations beamed to the Southwest-Mid-western states still do a flourishing business in mail order frauds. The United States has repeatedly tried to get the Mexican government to do something about them.

Now, three agencies of the government are to combine in an effort to cut out the trade.

These products in the past have included such items as the autographed pictures of John the Baptist and an offer of free "prayer cloths" with instructions on how to lay them on the body for "healing, deliverance and driving out evil spirits." Their acceptance in this country was a commentary on the gullibility of the American people.

High officials of the Justice Department, the Post Office Department and the Federal Communications Commission have only recently come upon a method by which American companies using these fraudulent advertising practices can be prosecuted for using the mails to defraud.

The upshot is that the Federal Communications Commission is now monitoring the broadcasts of the Mexican stations which reach the United States and it refers tape recordings to the Post Office Department to see if any mail order statutes are being violated. If so the Post Office Department turns the tapes over to the Justice Department for prosecution.

Nathan Kossack, chief of the Justice Department's fraud section, points out that the Federal government cannot control the content of commercials which the Mexican stations choose to carry, or stop American firms from placing fraudulent or misleading ads.

But, he explained, if the companies are actually defrauding buyers and using the mails as a part of the process, the Government can bring criminal charges.

In a recent speech Assistant Attorney General Herbert Miller, Jr., said of the situation:

"Unscrupulous American commercial swindlers have found this uncontrolled medium ideal for their operations. . . . Although the medium of the communication may be new, it is an unfortunate commentary on the gullibility of the American consumer that the representations (made in the commercials) were the subject of a successful mail fraud prosecution as far back as 1919."

There are now stations in several Mexican border towns which operate at high wattage and beam their programs to audiences north of the border, reaching large portions of the Southwest and Mid-west.

The cheap time available across the border has attracted both substantial companies and those which want to sell products that they cannot advertise over the air in this country.

* * *

The Administration is working on another WPA plan despite the fact that there is a shortage of skilled workers in this country. WPA projects consisting of public buildings, bridges, sewage disposals and other such projects all requiring skilled workers.

A WPA program and a PWA program were carried out by the Roosevelt Administration at a cost of several billions of dollars. The WPA carried out so-called leaf raking projects which called for unskilled men. But PWA called for skilled workers.

Baker, Simonds To Appoint

DETROIT, Mich.—On Nov. 2, Ralph W. Simonds, Jr., will become assistant secretary of Baker, Simonds & Co., Inc., 151 West Congress Street, members of the New York and Detroit Stock Exchanges.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

THE FIRST NATIONAL CITY BANK OF NEW YORK

	Sept. 30, 1961	June 30, 1961
	$	$
Total resources	8,831,134,811	8,630,267,781
Deposits	7,603,678,217	7,455,892,760
Cash and due from banks	1,741,736,972	1,753,759,439
U. S. Govt. security hldngs	1,919,601,230	1,849,586,119
Loans and discounts	4,059,024,773	4,066,556,749
Undivided pfits.	127,867,008	124,272,271

* * *

Stanley T. Davison has been elected Vice-President in charge of the Times Square Office of **Chemical Bank New York Trust Co., New York**, Chairman Harold H. Helm announced Oct. 24.

Mr. Davison, who has spent his entire career with the bank, has been Assistant Vice-President since 1954, in charge of its office at 29th St. and Park Ave. He succeeds Robert T. Snyder who has become regional Vice-President.

* * *

Michael Spencer has been elected Secretary of **Commercial Bank of North America, New York**, it was announced by Jacob Leichtman, President.

Mr. Spencer was formerly Assistant Treasurer and Assistant Trust Officer, to which posts he was appointed in 1956. He joined Commercial Bank in 1938.

* * *

Establishment of an American Advisory Board of prominent U. S. bankers and businessmen was announced in New York by Dr. Y. Foerder, Chairman of **Bank Leumin le-Israel**. The new group will guide the policies of the bank's New York Branch and its California Representative Office, and will cooperate in the development of the bank's international business.

* * *

The election of Herbert W. Meier as an Assistant Secretary of **The Marine Midland Trust Co. of New York**, has been announced by George C. Textor, President. Mr. Meier will be associated with the Investment Management Division of the Personal Trust Department.

Until recently Mr. Meier was an Assistant Cashier of the **First National City Bank, New York**.

* * *

William J. Cunningham has been elected Vice-President and Public Relations Officer of the **Bronx Savings Bank, New York**.

* * *

Randolph H. Brownell, President of the **Union Square Savings Bank, New York**, has announced the following appointments:

Ralph J. Stewart, Vice-President; Edward L. Nelson, Vice-President; Norman G. Critchley, Assistant Vice-President; Gerald B. Furman, Assistant Vice-President; Frederick H. Davis, Jr. Assistant Vice - President; C. Edgar Lane, Assistant Vice-President.

* * *

Howard A. Talbot has been elected Executive Vice-President of **The Dime Savings Bank of Williamsburgh, Brooklyn, N. Y.**, it is announced by Theodore A. Malmberg, President of the bank.

Prior to this, Mr. Talbot was Assistant Real Estate Officer of **The Greenwich Savings Bank, New York.**

* * *

Austin C. Chesire, a Trustee of **The Dime Savings Bank of Brooklyn, New York**, on Oct. 23 observed the 45th anniversary of his employment by the bank.

Mr. Chesire retired as an officer of The Dime of Brooklyn on Dec. 31, 1952, but has continued to remain active in the management of the bank as a member of the Board of Trustees, to which he was elected in 1942.

* * *

Eugene M. Carr has been named an Assistant Treasurer of **The County Trust Co., White Plains, N. Y.**

* * *

Parke W. Wicks has been elected Treasurer of the **First Trust & Deposit Co., Syracuse, N. Y.**, to succeed Joseph S. Spaid who was promoted to Executive Vice-President.

* * *

The Liberty Bank and Trust Co., Buffalo, New York, received permission on Oct. 10 from the Board of Governors of the Federal Reserve System to merge with **Exchange Bank, Oakfield, New York**, under the charter and title of **Liberty Bank and Trust Co.**

* * *

The Comptroller approved an application of **Valley National Bank of Long Island, Valley Stream, New York**, and **Osborne Trust Co., East Hampton, New York**, to consolidate under the charter and the title of **Valley National Bank of Long Island.** The effective date was as of Oct. 13.

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The Newport National Bank Newport, Rhode Island, increased its common capital stock from $345,000 to $460,000 by sale of new stock effective Oct. 11. (Number of shares outstanding 23,000, par value $20.)

* * *

Frank B. Allen, President of the **Maplewood Bank and Trust Company, Maplewood, N. J.**, died October 21. He was 71 years old.

Mr. Allen joined the bank in 1929 as Secretary and Treasurer, became Vice-President and Secretary in 1936 and President in 1942. He had been with the **Chatham Phoenix National Bank, New York**, prior to his association with the Maplewood Bank.

* * *

By the sale of new stock **The First National Bank of Middlesex County, South River, New Jersey** increased its common capital stock from $1,000,000 to $1,080,000, effective Oct. 11. (Number of shares outstanding 43,200 shares, par value $25.)

* * *

On Oct. 9 the Comptroller approved an application of **The Harrisburg National Bank, Harrisburg, Pa.**, and **The Harrisburg Trust Co., Harrisburg, Pa.**, to consolidate under the charter of the former and title of **The Harrisburg National Bank, Harrisburg Trust Co.** The effective date is to be as of the close of business on Oct. 27.

Under terms of the consolidation, the Harrisburg National stockholders will receive one share of stock for each share held. Harrisburg Trust holders would receive $1\frac{1}{5}$ shares for each share held. Harrisburg National has 48,265 shares outstanding and Harrisburg Trust has 40,000.

George R. Bailey, President of both banks, would be President of the new bank.

* * *

The consolidation of **Baltimore National Bank, Baltimore, Md.**, and **County Trust Company of Maryland, Glen Burnie, Md.**, was officially approved Oct. 24 by the Comptroller of the Currency, to become effective Nov. 3, according to a joint announcement by Hooper S. Miles, Chairman of the Board of Baltimore National Bank, and Delbert Davis, President of County Trust Company, under the name Baltimore National Bank. However, application has been filed with the Comptroller of the Currency for permission to change the name to **Maryland National Bank.**

Delbert Davis, President of County Trust Company, will become a Senior Vice-President, an advisory director, and a member of the loan committee of the consolidated bank. All advisory boards of County Trust branch offices, with their respective chairmen, will serve in the same capacities in the consolidated bank.

Recent statements of the two banks indicate that total assets of the consolidated bank will exceed $525,000,000 with capital funds in excess of $38,000,000.

* * *

The Central National Bank of Richmond, Richmond, Va., increased its common capital stock from $3,500,000 to $4,000,000 by a stock dividend effective Oct. 11. (Number of shares outstanding 200,000 shares, par value $20.)

* * *

The common capital stock of the **Merchants National Bank & Trust Company of Indianapolis, Indianapolis, Indiana**, was increased from $3,905,270 to $4,295,790 by a stock dividend effective Oct. 9. (Number of shares outstanding 429,579 shares, par value $10.)

* * *

Elston Bank & Trust Company, Crawfordsville, Indiana, received permission on Oct. 13 to acquire the assets and assume the liabilities of **The Waynetown State Bank, Waynetown, Indiana**, under the charter and title of **Elston Bank & Trust Co.**, by the Board of Governors of the Federal Reserve System.

* * *

Irving Seaman, Jr. has been elected President of the **National Boulevard Bank of Chicago, Ill.**, to take effect Nov. 1. He had been Vice-President of the **Continental Illinois National Bank & Trust Company of Chicago, Ill.** Henry C. Fordtran was named Executive Vice-President and Hugh M. Driscoll Vice-Chairman of the board of directors.

* * *

By a stock dividend the common capital stock of the **National Bank of Albany Park in Chicago, Chicago, Illinois**, was increased from $787,325 to $826,675 and from $826,675 to $926,675 by sale of new stock effective Oct. 9. (Number of shares outstanding 74,134 shares, par value $12.50.)

* * *

Manufacturers National Bank of Detroit, Mich., elected Pierre V. Heftler a Director.

* * *

The Omaha National Bank, Omaha, Neb., increased its common capital stock from $7,000,000 to $8,000,000 by a stock dividend effective Oct. 10. (Number of shares outstanding 400,000 shares, par value $20.)

* * *

By a stock dividend the common capital stock of the **Alliance National Bank, Alliance, Neb.**, was increased from $125,000 to $375,000, effective Oct. 11. (Number of shares outstanding 3,750 shares, par value $100.)

* * *

The University National Bank of Chapel Hill, Chapel Hill, N. C., with common stock of $100,000, was merged with and into **Durham Bank & Trust Company, Durham, N. C.**, under the charter of the Durham Bank & Trust Co. and under the title **Central Carolina Bank and Trust Co.**, effective at the close of business on Sept. 30.

* * *

The Comptroller of the Currency on Oct. 6 issued a charter to the **Jacksonville National Bank, Jacksonville Durval County, Florida.** The President is Rudolph Hardee and the Cashier J. L. Tison, Jr. The bank has a capital of $1,000,000 and a surplus of $250,000.

* * *

The common capital stock of the **Denver United States National Bank, Denver, Colo.**, was increased from $9,000,000 to $10,000,000 by sale of new stock, effective Oct. 11. (Number of shares outstanding 1,000,000 shares, par value $10.)

* * *

Rudolph A. Peterson, President of the **Bank of Hawaii, Honolulu, Hawaii**, has been named Vice-Chairman of the Board of Directors of **Bank of America, San Francisco, Calif.**, it was announced in San Francisco by President S. Clark Beise.

Mr. Peterson is scheduled to join the management staff of the bank at its Head Office in San Francisco. He relinquishes his present position with the Bank of Hawaii on Nov. 15.

Mr. Peterson came to the Bank of Hawaii as Vice-President in July, 1955. He was made Executive Vice - President in October, 1955 and was named President in February 1956.

* * *

Bank of America, San Francisco, Calif., Board of Directors on Oct. 17 offered a plan for a 5% stock dividend plus rights to buy an additional 1,600,000 shares of common stock at a preferred price that will be submitted for approval to shareholders at a special meeting Nov. 21.

The stock dividend is in addition to the regular quarterly dividend of 50 cents per share, declared Oct. 17 and payable Nov. 30 to holders of record Nov. 3.

Affirmative action by shareholders at the Nov. 21 meeting will be followed by:

Payment of the 5% stock dividend of 1,280,000 shares on or about Dec. 8, to shareholders of record Nov. 3, at the rate of one full share for each 20 owned;

Issuance of rights to subscribe for the new stock, on the basis of one share for each 16 owned, to shareholders of record on a date and at a price, under the market, to be set by the Board;

An increase in the bank's common stock from 25,600,000 shares to 28,480,000 shares, and an increase in the bank's capital from $160,000,000 to $178,000,000.

The program is subject to final approval by the Comptroller of the Currency.

* * *

Edmonds H. Chandler and Bert Lynch were appointed Vice-Presidents of the newly established Sacramento Valley regional real estate loan office by the **Crocker-Anglo National Bank, San Francisco, Calif.**

* * *

Moving to coordinate its expanding Jamaica operations, **The Bank of Nova Scotia, Toronto, Canada**, will open a new supervisory office in Kingston, Jamaica, General Manager J. Douglas Gibson announced.

R. M. Taylor, formerly Manager of the bank's main Jamaica branch in Kingston, will head the new office as Supervisor, Jamaica Branches. Succeeding him will be E. A. Mowatt, now an Assistant Supervisor at Montreal, Canada.

Auerbach, Pollak To Admit

Auerbach, Pollak & Richardson, 30 Broad Street, New York City, members of the New York Stock Exchange, will admit James P. Cleaver, Jr., to partnership as of Nov. 2. Mr. Cleaver will become a member of the Exchange.

Hill & Co. to Admit Reid

Robert H. Reid will acquire a membership in the New York Stock Exchange, and on Nov. 2 will become a partner in the Exchange firm of Hill & Co. He will make his headquarters in the New York office at 42 Wall Street.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

THE ABA CONVENTION AND THE OUTLOOK FOR MONEY RATES

The past week was marked by the annual convention of the American Bankers Association in San Francisco.

Although the discussions and remarks of the commercial bankers are always worthwhile, the outlook for the economy and money rates was best indicated by Treasury Secretary Douglas Dillon. [Full text of Mr. Dillon's talk and other addresses can be found in this issue.] The Eisenhower Administration predicted a surplus in the fiscal year 1962 (ending June 30, 1962). Since that time the estimates of the present Administration have indicated a deficit with each estimate showing a larger figure. Secretary Dillon indicated that this figure will be "more than $6,750,000,000." This is the highest figure as yet predicted but some economic forecasts predict a deficit in excess of $7.5 billion. In addition to the outlook for 1962 the Secretary indicated the intention of the Administration to submit a balanced budget in 1963. President Kennedy, however, has indicated that 1963's budget is not predictable due to possible military demands.

In spite of growing estimates of the deficit for the present fiscal year, it is still to be considerably less than the deficit figure for 1959, and Secretary Dillon foresees that the current situation will not be accompanied by the inflation which brought about high interest rates. Along with these pronouncements, the Secretary indicated a larger balance of payments deficit than formerly predicted. This means a continued drain on dollars, which are already in plentiful supply overseas.

Historically, as is shown, our present estimated deficit is large. This fact coupled with an outflow of dollars (gold) and an interest rate structure which is not comparable or competitive to rates elsewhere, should mean higher interest rates over the next year or more. Translating the effect of additional dollars in the money system, plus the outflow of gold and the necessity of competing in the world's money markets, the result should be favorable for commercial banks in this country.

The retiring President of the ABA, in a press interview, stated that the economy was improving but that loan demand did not come up to expectations. Mr. Bimson, President of the Valley National Bank (Phoenix, Ariz.), also stated that loan demand may run ahead of supply by the second half of 1962. He stated that he did not see any rise in the prime rate from the 4½% level at the present time but, over the next year, should certain consumer spending materialize, higher rates could be expected.

It was also brought out at the convention that many banks are out looking for loans. Although the prime rate remains firm, many small borrowers are being upgraded with the result that more borrowers may obtain funds at the prime rate. In addition, many banks are looking for new ways to loan money—whether it be to finance leases or loan money for the purchase of a boat. These aggressive moves on the part of the commercial banks point to the fact that the commercial banker is becoming more aggressive and is not anxious to see earnings fall even in a recession year. The agitation at the convention for taxing savings and loan institutions and mutual savings banks may well spur the Administration to pushing legislation which will not favor these "banks."

In spite of the favorable outlook for banks' earnings over the next year or two—due to the large Federal deficit and also the more aggressive attitudes and stands of the commercial banker—changes in the powers of the Federal Reserve Board or its relationship to the Administration could affect bank earnings over the longer period. The recent report of the Commission on Money and Credit had some broad recommendations to which Alan Sproul (onetime President of the New York Federal Reserve Bank) has strongly objected. He particularly attacks the proposal that the three means of credit control (open market operations, the rediscount rate, and reserve requirements) be given to a new five-member board rather than to the Open Market Committee of Federal Reserve. The Open Market Committee consists of members of the various banks and, if the recommendation was accepted, all power would lie in the Board in Washington. His point is that the regional Federal Reserve Presidents should take part in policy making as they are undoubtedly in a better position to know and study the economic situation in their own areas.

In addition to Mr. Sproul's objections, the Commission recommends a much greater liaison between the Federal Reserve Board and the Administration. Whereas they should endeavor to work well together, it is apparent that this agency must be free of political influence. The result in time could be an inconsistent monetary policy which would have adverse effects on the economy. Any long-term appraisal of the outlook for banks and money rates must take into consideration what changes are made in the Federal Reserve Board and its powers.

U. S. Budget Surplus (+) Or Deficit (—) (In Billions)

1950	—$3.1
1951	+ 3.5
1952	— 4.0
1953	— 9.4
1954	— 3.1
1955	— 4.2
1956	+ 1.6
1957	+ 1.6
1958	— 2.8
1959	—12.4
1960	+ 1.1

Estimates for Fiscal 1962 Budget (In Billions)

Jan. 16, 1961	+$1.5
Mar. 28, 1961	— 2.8
May 25, 1961	— 3.5
July 26, 1961	— 5.3
Oct. 17, 1961	— 6.8

The Security I Like Best

Continued from page 2

segments of half a billion bits of stored information. An improvement is shortly expected, moreover, in the storage capacity of LFE's High-Density File Drum; it will double or triple the HDFD's present capacity of 15 million bits of information. This year, the Computer Division's sales will be about $4 million and, in three or four years, management hopes, about $25 million.

The Instrument Division has developed new lines of microwave test equipment but is primarily manufacturing microwave-test oscillators and stability testers. Sales should run to about $1,100,000 this year.

The Eastern Industries Division manufactures vehicle - actuated traffic controls, and hydraulic equipment. Eastern Industries is making use of LFE's computer knowledge for its traffic controls, in this way further strengthening its position in a growing industry. The traffic-control industry here is growing at the rate of about 20% a year, and the foreign market for traffic-control devices is still largely untapped. Last year, partly because it undertook write-offs to conform to LFE's conservative accounting policies, Eastern Industries earned only $76,000. This year, Eastern's earnings should be about $500,000, and greater earnings are expected next year.

The proposed merger with Tracerlab will not only broaden LFE's technological capabilities, but put LFE in the growing fields of nucleonics, X-rays, and medical electronics. Tracerlab's past record has been unimpressive, primarily because of expenditures required over the past few years for redesigning its line of X-ray equipment at its Keleket Division. The worst seems to be over. Though Tracerlab lost money for the first six months, the company is expected to break even by the end of LFE's fiscal year (April 30, 1962). Tracerlab's sales last year amounted to $12,500,000; and orders are coming in now at a high rate.

Other profitable LFE operations are delay lines and air-traffic-control equipment. Furthermore, LFE's international sales office is expected to show growth over the next few years, the foreign market being a relatively new outlet for most of LFE's products. The company's research program — sponsored by both the government and the company — amounts to over $9 million. LFE is doing research-and-development work in thin films, oceanography, aerospace, lasers, micro-miniature circuitry, bionics, and other projects.

But LFE's greatest strength is its management. This point can't be stressed enough. Mr. Henry Harding, the President, has a proved record of successfully taking over loss situations and making them profitable. LFE is now Mr. Harding's life work, and he has surrounded himself with a very capable management team. Any company that LFE acquires will benefit from the administrative ability of LFE management.

Looking at the record of LFE, you see a distorted picture because of the recent merger with Eastern Industries and the proposed merger with Tracerlab. Before the acquisition of Eastern Industries, LFE's sales increased from $7,000,000 in 1957 to $38,526,000 in 1960 and earnings from $85,000 in 1957 to $1,226,000 in 1960. Management is planning an internal growth of 10% to 20% a year in all its divisions, both military and commercial.

A profit squeeze in some parts of the electronics industry, especially in the semi-conductor industry, is one reason for the sharp sell-off of electronic stocks. Since LFE is a large buyer of semi-conductors, the price weakness is beneficial. LFE's profit margins are healthy; its Electronics Division is expected to show, for example, a sales increase of 15-20%, with after-tax profit margins of 4%. Eastern Industries has a history of high profit margins.

LFE plus Tracerlab would be a world leader in Doppler systems, nucleonics, and automatic traffic controls. If Tracerlab and LFE are merged, earnings will experience a temporary dilution of about 14%. Taking into consideration that there may be some nonrecurring write-offs in Tracerlab, the combined earnings of LFE and Tracerlab should be about $1.75 or $1.85 a share for the fiscal year ending April 30, 1962, as against $1.66 a share last year. This estimate of earnings could prove to be low. It is important to point out that earnings this year should be divided on a 40%-60% basis between the halves, the lower percentage occurring in the first half. First-half earnings, if Tracerlab and LFE earnings are combined, should be about 40% of the $1.75 or $1.85 a share mentioned above.

LFE stock, selling at about 20 times estimated depressed earnings, is cheap compared to most electronic stocks that sell, even at the recent low prices, at from 30 to 50 times earnings. I feel that the stock of LFE, a growth company, is one of the best buys in the electronics industry and one that offers an opportunity for substantial long-term capital gains. The stock is presently traded in the Over-the-Counter Market.

Keystone Accumulation

BOSTON, Mass.—Keystone Accumulation Plans, Inc. is engaging in a securities business from offices at 50 Congress Street. Glen N. Lempereur is a principal.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Motivations

There are people that speculate in securities who are motivated by psychological impulses which they do not understand and of which they are unaware. These compulsions, however, are so powerful that the only way they can satisfy their subconscious hunger is through speculation. An experienced security salesman should recognize the validity of this situation when it occurs, and he must be ready to cope with it. According to psychiatrists, some people actually have an intense desire to lose money since they hate themselves so much they wish to destroy themselves and this is one way they can do it—by making impulsive and foolish commitments in securities. No amount of advice or help will save these people. If they cannot speculate with one broker they will find another. Their case is not for the S.E.C. or any conscientious broker — they need a Doctor.

There are also many people who are motivated by greed, stupidity, and avarice. They are also lazy mentally and think they can get something for nothing. That is the reason the present wave of original issues and public offerings of highly speculative, low priced common stocks has swept through the country during the past two years. These cycles of mass mania come along periodically — 1928-1929 and 1935-1936, then again in 1945-1946. The current one is the most highly advertised and the greatest yet.

Since human nature is always the same, "something for nothing" catches on fast. It will do no good to tell the people who are buying the marginal and risky stocks for a few dollars a share, and doubling their money overnight, that many of the pigmy companies that are offering the public a share in their future will fold and pass away in a few years. Keen competition, a business recession, high taxes, incompetent and extravagant management will see to that. Even if a small percentage of these weak little companies survive and grow, only a few of the original shareholders will reap the greater profits because they will have sold out long before the ship comes in to port.

Despite the insistence of the statutes that underwriters, promoters, and securities firms and their representatives are required to reveal the whole facts, many people do not bother to read a prospectus. They want a "fast buck" and the way these new issues are reeling off quick gains for the fortunate who get in on the first offering to the public, makes this thing a vertible picnic for everyone who has been playing it of recent years. You can't restrain gamblers who think they have found a new way to beat the game even if you try to hide it in the back room of an undertaker's establishment. Something for nothing has been here a long time and it carries over into the securities business periodically via the "new issue" market. This, as I have said, is nothing new.

People who are motivated by psychological compulsions beyond their own understanding, and those who are motivated by greed and cupidity, will write their own epitaph financially. This, too, is an axiom that has experience behind it. It is advisable for the security salesman to understand this and if he is dealing with such individuals he should be in a position to provide honest facts, information, and not argue or give his opinion. If people want to speculate they will do it with the broker across the street if they can't do it with you. If you don't want this kind of business that is also up to you. But if you are serving the public, and you have your door open, you might as well face facts and know the categeorical truth about this type of stock speculator.

There are Other Motivations

When an intelligent, wealthy, successful, businessman, or investor buys these "new issues" for a fast profit there may also be a sound factual reason for it. You may have heard someone say, "That fellow must have an income of over $200,000 a year. Why in the world would he want to pick up a couple of hundred, or a few thousand grabbing off hot issues where and when he can obtain them?" Here is the way this man figures. He can save money on his taxes. A married man with a taxable income of $300,000 pays a tax of $223,640. Every dollar he can save on taxes above $300,000 is worth 90 cents to him. On a lower income the tax saving is still attractive.

How does he accomplish this? Assume his income before his gifts to charity is $350,000. He gives $50,000 to charity, consisting of stocks that cost him $20,000 during the year, but he makes the gift of the stock and the charity accepts it at market value at the time of the gift. (If the charity doesn't wish to keep it after he gives it to them they sell it and keep the cash or invest it in more suitable securities.) The $30,000 of capital gains given to charity has saved this man 90%, or $27,000 in taxes.

This is a complicated world in which we live. There are reasons why people do almost everything. Some gamble to lose, some gamble because they are greedy, some gamble because they have a good thing and can cut their tax bill. It is advisable and necessary for the experienced security salesman to understand these motivations. We happen to be engaged in a business that is "for keeps," even if some people do not realize that this is true.

Patent Resources Common Offered

Darius, Inc., New York City and associates are making a public offering of 150,000 shares of Patent Resources, Inc., at $2.50 per share. Proceeds will be used by the company for overhead and administration expenses, costs of acquisition of patents or licenses, developmental costs and working capital.

The company of 608 Fifth Ave., N. Y., was organized to seek commercial exploitation of patents or discoveries. Generally, the company takes an assignment of the patent, and undertakes the manufacture, use or sale of the invention or discovery. The company may also act as an agent for the patent holder to effect the utilization of the new device or process.

With Joseph Walker

Joseph Walker & Sons, 30 Broad Street, New York City, members of the New York Stock Exchange, have announced that Robert J. Kelly and Louis Plotnick have joined the firm as registered representatives.

Now Stevens Hickey Co.

The firm name of J. V. Stevens & Co., 37 Wall Street, New York City, has been changed to Stevens Hickey & Co. E. Stevens Hickey is a principal of the firm.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

In spite of the many shadows which overhang the money and capital markets, the market action of government securities, both shorts and longs, continues to be satisfactory. There is no question but what some money market followers are convinced that money rates will have to go up sharply in the future because of infaltionary pressures and the need for measures to protect the dollar because of the enlarging deficit of the Treasury, along with the expanding unfavorable balance of payments.

As against these opinions, there are those money market specialists who believe that there will be no inflation, no boom and bust psychology, that the budget will be balanced in the 1963 fiscal year and that the continuing deficit in the balance of payments will not cause a loss in confidence in the dollar. They expect a steady business recovery with only a modest increase in interest rates which would be in keeping with this kind of business betterment.

Treasury Weighing Next Refunding Operation

The money and capital markets are being more concerned each day with how the Treasury will handle the refunding of the $6,963,000,000 of the 2½s which come due the middle of next month. This issue is owned in size by the commercial banks with a bit more than $3,200,000,000 held by the deposit institutions. This means that the exchange offer in order to be attractive to these banks will have to have short-term obligations since the commercial banks are not going to be extending maturities at this late stage of the game when the demand for loans will be increasing.

The deposit banks, by cutting down the maturity of their investments, especially government obligations, have put themselves in a good position to meet an expanding loan demand. This demand for funds is expected to grow as the year comes to an end, with a pick-up in borrowings again looked for near the end of the first quarter of 1962.

Short-Term Bond Could Be Attractive

Therefore, with the outlook for loans improving, it is evident that the commercial bank owners of the 2½s due Nov. 15, 1961, will be interested only in the short-term liquid issues that will be part of the package regular refunding deal.

It is from the owners of the balance of this obligation, other investors, namely the Central Banks and government trust funds, that the Treasury will have to appeal to in order to extend the over-all maturity of the government debt. There will no doubt be not a few institutional investors who will be attracted to a short government bond with the right coupon rate. This could be very helpful to the Treasury in its efforts to push out the due date of the debt. An intermediate term maturity would also have appeal to some owners of the maturing 2½s.

The Treasury will have to decide soon whether to redeem the 2½% issue for cash, and to sell new obligations also for cash, to replace it with or to offer the owners of the maturing securities rights to exchange for the expected package deal. This information has in the past been made known well ahead of the refunding announcement.

Deficit Forecasts Bewildering

The deficit of the government for the present fiscal year seems to get larger every time one of the important government spokesmen discusses the state of our finances. The most recent estimate of Treasury Secretary Dillon that the deficit will run somewhat more than $6,750,000,000 was not too much of a surprise, because there are not a few money market specialists who believe that the 1963 fiscal budget, which starts next July 1, also will not be in balance either in spite of declarations by government officials that it will be. They hold that unless taxes are raised there will be no balance in the 1963 budget.

The balance of payments, in the hopes of Secretary of the Treasury Dillon, will not show a deficit of much more than $2 billion which would compare with the deficit of $3.9 billion for last year. This is a very important item for the money and capital markets in that it will have a very pronounced influence on what the monetary authorities do to protect the dollar since the measures which are taken to keep the currency strong and stable will have an important effect on monetary policy at home.

The movement of funds into government bonds, according to advices, continues to show progress, with institutions making purchases of the longer term governments instead of corporate bonds. In addition, there are quite a few exchanges still being made from corporate bonds into the government bonds, since the yield on the latter bonds is more attractive when quality is considered.

Kelsey Joins Newhard, Cook

Stephen T. Kelsey, Jr. has been admitted as General Partner in Newhard, Cook & Co., St. Louis, Mo., members of the New York Stock Exchange.

He will make his office at Clark, Dodge & Co. Incorporated, 61 Wall Street, New York.

Mr. Kelsey, formerly with Ford, Bacon & Davis, Inc., in New York, will succeed William J. Hennessey at Newhard, Cook. Mr. Hennessey has retired after 29 years as the firm's Stock Exchange floor member.

Bache Honors W. Graham

William Graham, Assistant Manager of the Margin Credit Department of Bache & Co., who is retiring after 44 years of service with the investment firm, was the guest of honor at a luncheon given by the firm's Quarter Century Club, Oct. 20.

Harold L. Bache, managing partner of the firm and an honorary member of the Club, presented a memento of the occasion to Mr. Graham himself a past President of the Club. Walter Stratton, President of the Quarter Century Club, presided at the luncheon, and partners and executives of the Bache organization also attended.

Mr. Graham began his long career with Bache & Co. in 1919 as a clerk, and rose through the ranks to his present post of Assistant Manager of the Margin Credit Department.

MUTUAL FUNDS

BY JOSEPH C. POTTER

You Still Need People

The late Fred Allen, a great wit, saw television burst upon the domestic scene with its plethoric puppets and moppets, prompting him to lament that people were through. As Newton Minow, the industry he supervises and millions of patrons have long since yearned, there is no field in which people are more direly needed.

In more recent years there has been no lack of lament that electronic computers and other man-made machines have tossed human beings into the discard. Indeed, this feeling that men, because of their brains, contain within themselves the seed of their own destruction, has spread to the investment community.

To reassure us on this score, Charles F. Eaton, Jr. made his way to Portland last week to address the Maine Investment Dealers Association. The President of Eaton & Howard contended that electronic computers would never substitute for sound human judgment in the selection of productive investments. He told his audience that investing was "more of an art than an exact science."

Now it is one thing to feed data into computers to determine which companies are growing fastest—an answer that can be had, albeit more painstakingly, without electronics—but, as Mr. Eaton notes, the quasi-art of investing is not based on a formula, but on the activities of people engaged in business. Said he: "If investing were something which could be done by formula, it could obviously be done with speed and precision by giant electronic computing machines now used in scientific research and routine business procedures."

Nobody, to our knowledge, has yet contrived a machine that would single out the potential in a company such as American Motors, a doddering business several years ago, which was turned around by one man, George Romney. Nor do we know of a machine that can tell us which laboratory is readying the *wunderkind* of tomorrow.

Eaton has said that with the general public becoming conditioned to reports of new advances in automation, there is a danger that too much too soon will be expected of machines in selecting investments. The President of the investment management company said: "Although investment managers employ modern data-processing equipment, and find it extremely helpful, we should never expect to reach that day when an answer to a properly stated investment problem would come out neatly printed on a tape."

The man who founded Eaton & Howard back in 1924 made the point tht investment selection is predicated on the actions of people. He went on:

"People are responsible for business activity and the carrying on of trade and commerce. Their activities and their psychological and emotional reactions determine economic conditions, just as surely as decisions and actions, political and otherwise, which affect public confidence—the kind of money we have, inflationary or deflationary forces, or the incidence of wars—are products of the human mind. One of the great imponderables of investing is what 'people' are going to do, and today the whole world is involved in that question."

Anyone who has spent any time within the investment community knows there are dozens of approaches to the market—the stock averages, point and figure, price-earnings ratios, business indicators and that sort of thing. There is even an astrologer who does a tidy business getting bullish or bearish, according to the stars.

Although some may question the business of star-gazing, these are tools of the trade. The computer is another and valuable tool. It may make the stockholder rich, but it is most likely to do so only when he has a stake in the company that produces the electronic device.

Markets and fortunes, as ever, will go on being made by men. And the better equipped they are, the more likely they are to succeed. Men like Charles Eaton brought their own magic brains to the field and, coupled with no little perspiration, demonstrated that you still need people.

The Funds Report

In the quarterly report to the stockholders of **Automation Shares, Inc.**, it was reported that the total net assets had increased to a new high of $339,159 with a net asset value per share of $16.35, which represents a gain over the June 30 net asset value per share figure of $16.11.

For the first time, Automation Shares added Branson Instruments, Electronic Associates, Foxboro Co., Pitney Bowes. Only one stock, American Electronics, was eliminated from the portfolio.

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Broad Street Investing Corp. reports that at Sept. 30 asset value per share was $14.21, up from $13.76 three months earlier and $12.29 at the start of 1961. Net assets were at a new high of $250,506,050 and were $43,868,508 greater than at the beginning of this year.

During the latest quarter new common stock positions were established by addition of Allegheny Ludlum Steel, National Dairy Products and Standard Oil (Ind.). There were increases in holdings of American Metal Climax, Briggs & Stratton, E. I. du Pont de Nemours & Co., Ford Motor, Maryland Casualty, National Lead, Norfolk & Western and Standard Oil (N. J.). Holdings of American Cyanamid, American Machine & Foundry, Bethlehem Steel, General Foods and Texas Gulf Producing were reduced and investments in Dow Chemical, Hooker Chemical and St. Regis Paper were eliminated.

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According to the report dated Sept. 30, the value-per-share of **Eaton & Howard Stock Fund** was $14.53, an increase of 28% from a year ago after adjustment for the December capital gains distribution. With assets exceeding $200,000,000, the Fund recorded an increase of $47,132,796 from the corresponding period last year.

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In recording a value-per-share of $12.78, **Eaton & Howard Balanced Fund** showed a gain of 18% from a year ago after adjustment for the December capital gains distribution. The report indicates 66.8% of the fund is invested in common stocks, 11.2% in preferred stocks, 8.7% in corporate bonds, and 13.1% in U. S. Governments, short-term notes and cash. Largest common stock holdings by industries were power and light (15.7%), oil (8.7%), insurance (7.7%), banking (6.4%) and natural gas (4.3%).

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Institutional Investors Mutual Fund reports that at Sept. 30 net assets amounted to $68,956,395, compared with $64,113,148 on June 30 and $48,896,215 on Sept. 30, 1960. Net asset value per share at latest report was $268.62 against $261.82 three months earlier and $211.56 a year earlier.

During the latest quarter the company sold no common stocks and added to holdings of Abbott Laboratories, American Chicle, American Telephone & Telegraph, Central & South West Corp., Champion Spark Plug, Coca-Cola, Continental Oil, Federated Department Stores, Firestone Tire & Rubber, B. F. Goodrich, Gulf Oil, Hertz Corp., Hooker Chemical, Louisville Gas & Electric, National Dairy Products, Norwich Pharmacal, Owens-Illinois Glass, Pennsalt Chemicals, Shell Oil, United Carbon, U. S. Steel and Sears, Roebuck. New commitments: Harris-Intertype, Public Service of Indiana and Stauffer Chemical.

* * *

Net operating income, excluding net gains on sales of investments, of **Investors Diversified Services, Inc.** and its wholly-owned subsidiaries for the first nine months of 1961 amounted to $13,011,006, or $8.95 per share, compared with $11,590,573, of $7.97 per share, for the same period in 1960, the company announced. Net gains of 23 cents per share from sales of investments were realized in the 1961 period, whereas no net gains were realized in the comparable period last year.

Total net earnings for the first nine months of this year, therefore, were $9.18 per share, compared with $7.97 per share for the like period of 1960.

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Asset value per share of **National Investors Corp.** rose to $16.70 at Sept. 30, to a new all-time high, according to the company's third quarter report. This was up from $16.52 three months earlier and compared with $14.39 at the start of the year.

Net assets stood at $267,571,698 at the end of the period, the highest ever reported. A record $51,183,884 of new funds, net after redemptions, was invested in company shares during the nine months.

* * *

Oppenheimer Fund, Inc. reports that at September 30 net assets amounted to a record $11,559,570, or $16.22 per share. Comparable figures three months earlier were $10,672,855 and $15.94. A year earlier assets were $4,508,010 and assets per share $11.81.

Largest holding of the company on Sept. 30 was in W. R. Grace & Co., equal to 8% of the fund's total net assets. Second largest holding, representing 6%, was in Underwood Corp. Major new positions during the third quarter were taken in the common of Wickes Corp. and Trans-World Financial Corp., as well as in the class A preferred of Herff Jones. Crowell-Collier, M. P. O. Videotronics and Aldens were eliminated.

* * *

Pioneer Fund in the latest quarter eliminated St. Paul Ammonia Products, convertible 6s and Scranton Spring Brook Water 5⅛s, Towne Mines preferred and common, American Broadcasting-Paramount, Grocery Store Products, Texas Gulf Producing. Added to the portfolio were American Steel Foundries, Handy & Harman and Peter Paul, Inc.

* * *

Leo A. Weiss has been elected to the board of **Nucleonics, Chemistry & Electronics Shares.** He is president and chairman of the board of Avien, Inc., which he founded.

* * *

United States & Foreign Securities Corp. reports total net assets as of Sept. 30 amounting to $111,334,134, equal to $33.63 per share on 3,310,815 outstanding shares of capital stock before provision for Federal income taxes in controversy. After such provision, net assets equaled $30.93 per share. This compares with total net assets on Dec. 30, 1960, of $104,539,183, equivalent to $31.58 per share before and $28.96 per share after the tax provision.

* * *

Value Line Fund reports that at Sept. 30 net assets were $9,283,006, or $7.22 a share, against assets of $8,043,970 and $5.94 a share a year earlier.

* * *

Value Line Income Fund reports that at September 30 net assets amounted to $85,068,679, or $5.51 per share, compared with $80,467,864 and $5.10 per share at Sept. 30, 1960.

* * *

Value Line Special Situations Fund reports that at Sept. 30 net assets were $17,137,071, equal to $4.27 a share. This compares with $11,279,480, or $3.31 per share, a year earlier.

* * *

Whitehall Fund reports that at Sept. 30 net assets amounted to $12,991,133, or $13.76 per share, against $11,410,396 and $12.15 at Sept. 30, 1960.

Nat'l Instrument Laboratories, Inc. Cap. Stk. Offered

Troster, Singer & Co., New York City, is offering publicly 100,000 shares of 10 cents par capital stock of National Instrument Laboratories, Inc., at $3 per share. Net proceeds will be used by the company for the repayment of debt, expansion, purchase of additional equipment and working capital.

The company of 828 Evarts St., N. E., Washington 18, D. C., is engaged in the design, development, manufacture and sale of precision instruments and the sale of such instruments made by others. This equipment is used in the biomedical, aviation and petrochemical industries and by other commercial, industrial and governmental users. The company also maintains complete facilities for servicing and repair of all instruments which it sells.

Named Director

Sidney D. Cohn, a Partner, and head of the underwriting department of Finkle & Co., members of the New York Stock Exchange, has been elected a Director of Zion Foods Corporation, manufacturer of kosher and non-kosher meat products.

Government's Policies to Promote a Growing Economy

By Hon. Douglas Dillon,* *Secretary of the Treasury*

Our international economic position, domestic fiscal policies and economic outlook, and two tax matters of interest to bankers are given a frank appraisal by Mr. Dillon. Leaving no room for doubt, the Treasury Secretary pledges the Administration's intention to submit a balanced budget for fiscal year 1963. He announces this fiscal year's deficit—pushed by higher defense, postal and agricultural costs—may uncomfortably rise to $6,750,000,000 but adds that it should not "by itself" cause inflation; labor and management are warned of the Administration's firm opposition to wage-price spiral; sees no need for 1959 type of money-credit stringency; and forecasts $540 billion GNP annual rate for the end of this year followed by a rapid uptrend pace during the first half of 1962. Modernization of our productive plant and depreciation reform, pursuant of an active foreign exchange trading role, and other measures to improve our international economic position are discussed.

The government's major preoccupation in foreign financial affairs is with our balance of international payments, which has a profound influence upon the standing of the dollar in the world's money markets. The achievement of a reasonable balance is of utmost importance — not only to us, but to all free men, everywhere. For the dollar, the world's basic reserve currency, is the very foundation of international trade and commerce.


Douglas Dillon

We have been running deficits in our international payments for an uncomfortably long time. During the past three years alone, these deficits have totaled about eleven billion dollars, of which five billion was met by payment in gold. This trend culminated in a crisis of confidence during the four months from last October through January, when we lost one and one quarter billion dollars in gold.

President Kennedy fully recognized the dangers in this situation. He made it clear immediately after his inauguration that the dollar would not be devalued, nor would its standing be jeopardized by resort to exchange controls. One of his very first official acts was to call for a coordinated national effort to stem the flow of dollars out of this country.

Our payments position this year is markedly improved. But we cannot relax. Indeed, in today's world of currency convertibility, we can never relax, not even when we achieve our immediate goal of equilibrium in our international accounts. We must be constantly alert to the impact upon our balance of payments of all of our financial and economic actions—both public and private.

Current Payments Position

Let me briefly review our present payments position. In so doing, I shall not take into account certain special debt prepayments made to us last Sprng, chiefly by Germany. While these prepayments were most helpful, their effect was temporary, and they should not be included in any measurement of progress toward solution of the underlying problem.

Our over-all deficit for the first half of this year ran at a seasonally adjusted annual rate of one billion seven hundred million dollars — a significant improvement over the deficits of nearly four billion dollars for each of the two preceding years. We have good reason to hope that we can hold our over-all deficit for the entire year to not much more than two billion dollars—exclusive of the special debt prepayments, which should reduce it to something like one and a half billion dollars.

Our record in the first half of this year is even better when we examine our "basic" position — that is, the total of our recorded transactions, with the exception of short-term capital movements and special debt prepayments.

Our basic position was in exact balance during the first half of 1961—compared with a deficit of one billion nine hundred million for 1960, and one of four billion three hundred million for 1959. Hence, nearly the entire improvement in the first six months took place in our basic position, with the short-term outflow continuing at very close to the 1960 rate. This year, however, the short-term outflow has been almost entirely commercial: for example, more than half of it has been commercial bank lending to Japan to finance her growing imports. It has not been generated by speculation against the dollar, as was the case last Fall and Winter. The continued absence of that type of speculation has been a clear sign of renewed international confidence in the dollar. This gives us time to work toward the over-all balance we must achieve.

The most important single factor in obtaining this balance is our commercial trade surplus — by which I mean the excess of commercial exports over imports, not counting sales of surplus agricultural products or shipments under our foreign aid program. This surplus during the first half of the year ran at an adjusted annual level of some four billion dollars—a rate about one billion dollars higher than 1960, and in marked contrast with a deficit of about half a billion dollars in 1959.

Unfortunately, the rise in our commercial trade surplus during the early months of this year was due more to a recession-induced decrease in imports than to an increase in exports. As our economy picks up steam, imports are certain to recover and cut into our trading surplus.

Thus, through the normal operation of the business cycle, we face the probability of a reduction in our commercial trade surplus over the coming year. To attempt to reverse this trend by cutting back on imports would be senseless, since such action on our part would inevitably generate counter action against our exports. What we must do instead is redouble our efforts to increase exports so that we can maintain a trading surplus at the satisfactory level reached during the first half of this year.

As part of that effort, the Government has overhauled and expanded its services to exporters, and is in the process of creating a comprehensive export insurance program which should be in full operation by the end of the year.

The Administration has also strongly supported depreciation reform to stimulate the modernization of our national industrial plant.

Favors Higher Depreciation Policy

More rapid equipment modernization by industry is vital to the success of our efforts to remain competitive in world markets and to achieve the rate of growth needed to assure us prosperity and reasonably full employment. I think it highly significant that all the industrial countries of Western Europe—except Belgium and the United Kingdom — are now devoting twice as much of their gross national product to purchases of industrial equipment as are we in the United States. And Belgium and the United Kingdom —the two European countries whose economic growth has lagged in comparison with the rest of Western Europe — are devoting half again as much of their GNP to the purchase of equipment as are we.

Over the past decade, every Western European nation has steadily increased the share of its GNP going into new equipment. But the trend in the United States has been in the opposite direction: the percentage of our Gross National Product devoted to new equipment purchases has been declining, and is now well under the rate of the early Fifties. It strikes me that there is a clear relationship between this fall-off and the difficulties we face in competing with our European friends — as well as between it and our relatively slow rate of economic growth during the past decade.

Plant modernization can best be stimulated through depreciation reform, which, to be adequate, must have two distinct facets:

First, an updating of the Internal Revenue Service calculations of the depreciable "lives" of equipment, so that they will accurately reflect conditions in this age of rapid technological change. This adjustment calls for a detailed study of the whole range of business experience with all types of equipment. Such a study was started by the Treasury more than a year ago, and we are pushing it to completion this Winter. At the President's direction, the textile industry last May was given special priority and, just recently, new "lives" for textile equipment, representing a general reduction of 40% over previous levels, were announced. I cite this as an example of what can be expected from our overall examination. While the textile industry may be an extreme case—and our investigation may not justify equally large reductions in the depreciable "lives" of equipment used in other industries — I am confident that many reductions of a significant nature will be possible.

Second, since a change in depreciable "lives" will not in itself be enough to match the incentives given by their governments to many of the European manufacturers with whom our industries compete, further action is needed. That is why the Treasury supports a tax credit for all new investment in plant equipment—an incentive that has been successfully utilized in a number of European countries. As a result of information developed in hearings before the House Ways and Means Committee, it is now con-

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Reduction of Federal Debt And Tax Rates Is Imperative!

By George Champion,* *Chairman of the Board, The Chase Manhattan Bank, New York*

Too few people are said to be fully aware that our government has come to a major crossroad in the path of its fiscal policy. The road urgently recommended is a 10% tax cut and a $30 billion Federal debt reduction as a minimal goal in the 1960's. Mr. Champion is certain this would still leave room to finance a larger defense and also, permit priority to be given to personal and corporate tax cut, and to reduction of the Federal debt—all three—"providing we have the foresight and the will to do it." The other road would, the banker contends, take us to the point where government expenditures would suddenly leap to a new high level propelled by (1) built-in flow of revenue automatically increasing as national income grows; (2) surrender to the new philosophy of Federal Government taking over historic responsibilities of individuals, business, city and state.

George Champion

I thought I might start this discussion with a few observations gleaned from a rather lengthy trip which I recently took to Europe, including attendance at the World Bank and Fund meetings in Vienna. Europe, as we all know, is highly prosperous, with improved living standards and definite pride of accomplishment in most countries. In view of the progress made, almost all countries are dedicated to keeping their economic house in order, and there is wide recognition that the most important pillar for continued prosperity is a sound currency. The evils and suffering that stem from inflation live on in the memories of many people. Most disturbing, however, to me are the fears expressed that the United States today is tending too much in the direction of socialism, which many of the Europeans have tried in the past and now have turned their backs on.

The major concern to the Europeans, of course, is the growing power of the colossus to the East: the Soviet Union. In this regard, Khrushchev's boastful challenge of economic warfare against the West looms as large in their thinking as does the possibility of actual physical conflict. It is this challenge of economic warfare which provides one of the principal motivating forces behind the rapid progress of the Common Market. And it is this same challenge which promises to be influential in bringing a joinder in all likelihood between the Six and Seven in the not too distant future.

Free World Unity Urged

Now these trends in Western Europe, along with the grim threats and persistent pressure from the communists, ought to cause all of us in the United States to take stock once again of our own position. There is no question but that the combined strength of the two great industrial complexes on each side of the Atlantic is many times anything the communists could possibly muster. The need is to bring that strength to bear effectively on all our common problems and not to dissipate it through lack of cooperation or a weakening of the strength and incentives inherent in a free enterprise economy. Just how this can be accomplished remains one of the overriding tasks that confront all peoples in the Atlantic Community, including those of the United States. We have made a beginning, I believe, in forming the new Organization for Economic Cooperation and Development; but much hard thinking, joint planning, and action will be required in the period ahead.

In this regard, we all would do well to recognize that any growth in cooperation and long range planning between ourselves and Western Europe must be based on mutual respect and competitive strength. Certainly one barometer of our own strength is the esteem in which the dollar is held both internally and externally. I come back from abroad, and particularly from the meetings in Vienna, more than ever convinced that the people of America need to take another long, searching look at the financial position of their Federal Government and the direction which budgetary and fiscal policy are likely to take over the next several years.

The truth is that our government in Washington has come to a major crossroads, and too few people throughout the country are fully aware of it. Today we are confronted with the prospect of government expenditures suddenly leaping to a new high level. A good portion of this rise, of course, is due to increased needs for defense. None of us will begrudge any needed expenditures for such a purpose. Protection of our homeland and our way of life is one of the basic functions of government. Everyone, I know, will be glad to pay all that is required for defense. But piled on top of this, in the most ill-timed way imaginable, are a number of costly proposals which would cast the Federal Government into a whole new set of functions and activities—many of which tend to revise the historical relationship of government to the individual, business, city and state.

Moreover, the apparent thinking in Washington is that all these added expenditures must be carried out without any new sacrifice. Rather, it is argued we should be able to afford guns, butter, and a great deal of coddling all at the same time. What is not mentioned is what we shall have to give up; namely, perhaps the last chance we shall have to reduce an unconscionably heavy burden of taxes, and along with it to give to the individual a new sense of initiative, self-reliance, and responsibility.

Tax System Encourages Federal Spending

Outside of Washington it's not widely appreciated that we now have a tax system which in itself constitutes a wide-open invitation for increased government spending. For one thing, the flow of revenue to government automatically increases as the national income grows. But even more, the greater the growth in national income, the larger is the *proportional share* which is diverted to government. This tendency, which certainly is a happy one for those who feel that they in government should plan and think for us, is the inevitable result of the highly progressive character of our personal income tax.

How many of us realize, for example, that since 1955 the yield from the personal income tax has grown from $30 billion to about $43 billion, and with no change in rates? During that period, personal incomes in dollar terms rose by a third, and the tax collector had handed to him on a platter an increase in revenue of some $13 billion. Or take a still longer period and make the comparison with 1950: the yield since then has grown by no less than $25 billion. A decade ago, individuals turned over about 7½% of their total personal income for the Federal income tax; today the proportion has risen to 10½%.

Other taxes also throw off larger revenues as the economy grows, although not to the same extent. For example, half of any increase in corporate profits automatically flows back to the government. The more people buy, the larger is the amount they pay in excise taxes. At any rate, estimates now being made by the Treasury Department for the fiscal year 1963 — that's the year which begins next July—point to a total revenue which may be up as much as $15 billion over that for the fiscal year recently ended, simply because of the growth in our national income.

These facts add up to a very significant conclusion; namely, that one of the most effective controls over the activities of government—a lack of sufficient income — is noticeable for its absence from the American scene. You all have heard of Parkinson's famous law: "Expenditures rise to meet income!" The history of our own government in Washington is an outstanding example of that all-too-accurate observation.

Indeed, one has only to look for a moment at what this increased revenue in recent years has been spent for. Has the bulk of it gone for defense or, as some have alleged, for foreign aid? Not on your life. True outlays for defense have been edging higher; the total this last year was $3 billion higher than in fiscal 1954, the year after the Korean War had been ended. Meanwhile, spending on foreign aid has actually decreased. Unfortunately the same thing cannot be said for veterans, for housing, for agriculture, and for a long list of other subsidies. Add up all nondefense expenditures, and exclude foreign aid, and you have an increase since the mid-fifties of $13 billion, every bit as much as the rise in the tax yield from personal incomes.

Plagued by Subsidies

Take the farm program as an all-too-typical example. In the fiscal year just ended, this program cost taxpayers approximately $6 billion—almost double the amount for 1954. The total spent by the government on programs involving the farmer last year was about equal to 45% of all net farm income. Have we moved any closer to a solution of the farm problem as a result? The answer, as we all know, is in the negative. On the contrary, the situation appears more confused than ever. We subsidize cotton exports by 8½ cents per pound (to cite only one example) and then run around trying to persuade manufacturers abroad not to ship it all back to us in the form of low-cost textile products. Would it not be more reasonable to do the sensible thing: to, over a 3- to 5-year period, free cotton from artificial controls, let prices seek their proper level, and to make the necessary adjustments? I have no doubt whatsoever that efficient

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The New Economic Scene In the U. S. and Worldwide

By Roy L. Reierson,* *Senior Vice-President and Chief Economist, Bankers Trust Company, New York City*

Warning of renewed danger lying ahead for our dollar is sounded by New York banker and economist recently returned from Europe. Dr. Reierson offers a clearcut program of dollar, remedial, preventive measures; is critical of both the Rueff plan which would devalue and limit monetary reserves to gold and the Triffin plan which would go in the opposite direction toward creating a new international reserve currency; and predicts further substantial business expansion with GNP rising a year from now to $565-575 billion annual rate—a 5% rise. Denying there is a world monetary shortage, Dr. Reierson advocates: (1) a wage rate rise of no more than 2% a year—i. e., equal to our average long-term productivity growth; (2) we stick to our pledge of a balanced 1963 fiscal year budget; (3) pooling foreign aid through an international organization; and (4) unilateral tariff reduction by major European countries.

Recent years have witnessed profound changes in the economic climate, both in the United States and in the world at large. At home, the era of overabundant liquidity, accumulated demands, full employment of resources, and persistent inflationary pressures has given way to a more moderate pace of economic growth. Excess liquidity has been worked off; productive capacity has become ample; markets have become competitive; the rising price trend has been arrested.

Roy L. Reierson

In most of the major industrial countries, likewise, the economic scene has changed profoundly. Wartime destruction and obsolescence have been replaced by up-to-date plants; output has soared; soft currencies have become hard; prosperity has become the order of the day. Quite clearly, at some point in recent years, the postwar economy came to an end and has been succeeded by a different, though as yet unnamed, economic environment.

This changed world economic environment has brought new rules, new problems and new needs — all of which, unfortunately, we have been slow to recognize. Both at home and abroad, American products are facing keen competition; the dollar no longer stands as the sole international currency; funds now move freely among the world's major financial markets; and, with the gradual elimination of controls, economic forces, including changing expectations, have reasserted their influence.

The question is whether we in the United States have recognized the full import, for our policies, actions and responsibilities, of the developments of recent years, and whether we shall have the good sense to adapt our policies to these new realities. Unless we do make these adjustments, we and our associates in the free world will almost certainly have to pay a heavy price.

Economic Resurgence at Home

The economic and financial climate in general is more favorable and the prospects are more auspicious than was the case when America's bankers were meeting in convention a year ago. The dollar has successfully weathered last autumn's storm, and the more recent pressures on sterling also have eased. At home, business prospects are bright; after a broadly based rebound from the recession, the economy is once again setting new records, with further strength a reasonable expectation in virtually all major areas of activity.

Strength in Business

Admittedly, not all of the effects of the 1960-61 recession have as yet been overcome. Unemployment continues to be a problem, although, with production on the rise, the outlook has improved. Retail trade has also lagged behind the general recovery; consumers, at least until very recently, have apparently preferred to increase their savings and have hesitated to add to their installment debt.

Elsewhere, however, the business resurgence has been quite pronounced. Inventory liquidation, which contributed importantly to the recent recession, was completed early in the year, thereby signalling the turn to recovery; since then, business managements in many industries have resumed the rebuilding of their stocks. Nevertheless, inventories appear to be quite conservative in relation to sales, and while it seems reasonable to assume that businessmen, in the absense of an inflationary or war psychology, will seek to keep their stocks at permanently lower levels, relative to sales and new orders, than was the norm in earlier years, further accumulation of inventories seems to be in the cards for some time ahead.

Likewise, businessmen are already expanding their capital spending programs. Total business profits have recovered smartly, and this, together with the cash flow generated by rising depreciation allowances, the increase in new orders, and the higher rate of utilization of capacity, all support the likelihood of a sustained, albeit so far at least rather moderate, advance in business expenditures on new plant as well as new equipment in the year ahead.

The trend of spending on all levels of government also is upward. However, the impact of the step-up in defense to date has been marginal; it has done no more than add to the strength of a broad cyclical recovery already under way. Indeed, the calm reaction of businessmen and consumers to the darkening international horizon is a reassuring feature of the current outlook; the behavior of commodity prices, new orders and business borrowings, as well as the results of surveys of spending intentions, all suggest that optimism concerning the economic future is on the restrained side, and that no excesses have developed so far.

Stable Credit Markets

These conditions have been reflected in the recent record of general stability in the credit markets. Business corporations earlier this year floated a record volume of new securities, apparently largely to increase their working capital and to fund some of their short-term indebtedness to the commercial banks. The Treasury, too, has recently been a heavy borrower, since June, new cash financing has totalled more than $9 billion. However, helped by the large flow of savings to institutional investors, the market has been able to absorb these demands, as well as a rising volume of mortgage financing and continued heavy municipal offerings, smoothly and without much congestion. In fact, bond yields have receded recently despite the strength in business.

In the commercial banking area, the recent record of stability is even more striking. Although bank loans to business normally lag behind a cyclical recovery, their response this time has been delayed longer than usual; only recently has a quickening in loan demand become apparent. Short-term interest rates, which in the past have tended to react promptly to a business uptrend, have fluctuated within a relatively narrow range for more than a year, and in some cases are no higher than they were last February, when the recession was at its trough. The recent behavior of interest rates contrasts sharply with that of 1958, when the rebound in business activity led to a sharp upswing of interest rates across the board.

This stability in credit conditions is explained to an important extent by the fact that in the recent recession, credit policy was not used to drive interest rates to subnormal levels; as a result, the response of the credit markets to the business recovery has been moderate. Presumably in reflection of relatively high unemployment, large unutilized industrial capacity, fairly stable commodity prices, the absence of speculative buying, and the sluggish demands for bank loans, the Federal Reserve, for the first time since the "Accord" of 1951, has failed to permit a tightening of credit in the face of a broad expansion in the economy. Not only has the discount rate remained unchanged, but net free reserves (excess reserves less borrowings) of member banks have fluctuated around the $500 million level since the start of the business uptrend.

Current Prospects

Leaving aside the imponderables of the international situation—not because they can be ignored, but because their inclusions would be frustrating—the signs point to a further substantial expansion in business activity and output in the United States. The rate of increase must be expected to diminish, but the upward trend may well extend through most, if not all, of 1962.

Specific projections are, of course, always open to question. Not as a forecast, therefore, but as a rough indication of anticipated magnitudes, it would seem reasonable to place the annual rate of the gross national product a year from now around $565-575 billion, or about 5% or more above its present estimated level, with most of this anticipated increase "real" rather than in prices.

Consistent with this assumption, the development of some upward pressures on interest rates would seem to be a plausible guess, but, as of now, these pressures could remain relatively moderate for some time ahead. In the capital

markets, the volume of corporate security offerings, which slackened after midyear, is again on the rise. In addition, the savings flow seems to be easing, although institutional investors are still liberally supplied with funds.

Business borrowings in the short-term area are also likely to advance, especially with inventory rebuilding under way on a broad scale, plant and equipment expenditures rising, and corporate liquidity in the aggregate still significantly below the levels prevailing at this stage during earlier business expansions. At the same time, the introduction of the new automobile models is almost certain to bring about an increase in consumer borrowings.

Despite their currently high loan-to-deposit ratios, the commercial banks will nonetheless be in a relatively good position to meet expanding loan demands for some time to come, since their holdings of short-term Government obligations are larger than they have been for many years. However, liquidation of these holdings to make room for loans, unless offset by the provision of more reserves on the part of the Federal Reserve, is likely eventually to place short-term rates under upward pressure.

Credit policy depends upon a great complex of factors and its serves no purpose to attempt to outguess future decisions and actions of the Federal Reserve. If inflationary psychology should reassert itself or if the gold outflow should resume, it is quite conceivable that the present relatively easy credit policy may shift fairly abruptly to one of restraint. If the economic expansion remains orderly, however, the Federal Reserve authorities may permit credit to tighten gradually; they may on occasion moderate, but are unlikely to oppose, the basic forces operating in the market place.

Some Pitfalls Ahead

This may appear to be a relatively complacent view of the outlook, predicated on the assumptions that international conditions generate no upset, that no strong inflationary pressures appear, that confidence in the dollar remains high, and that there are no serious labor troubles ahead. It is sufficient to list these assumptions, however, to make it plainly evident that complacency is not justfied.

As the economy advances to new high territory, it is likely to become increasingly vulnerable to unsettling factors, and some of the hazards are already visible. The uncertain international situation, and the prospect of a large budget deficit in a year of vigorous cyclical advance of business, suggest that perhaps the greater danger is for the expansion to develop into an inflationary boom, but there is also the possibility that rising labor costs, work stoppages, and a squeeze on profit margins may impede the current uptrend and prevent it from running its full course.

While these are the typical uncertainties that have, to some extent, accompanied business expansions in the past, there is today a further problem, which should command first priority as a matter of national concern—namely, the prospect of a renewed deterioration in our balance of international payments in the wake of the resurgence of economic activity at home. To some extent, this deterioration is already indicated by the irregular narrowing of the United States foreign trade surplus in recent months. Ordinarily, this expected consequence of a cyclical rise in business activity would not be disturbing, but today, with the export surplus crucial to our entire balance of payments position, even this normal phenomenon can no longer be lightly dismissed, for it demonstrates, with increasing emphasis, that the deficit in our international accounts is chronic irrespective of the phase of the business cycle.

Implications for the Dollar

It is by now fairly well established that whenever the United States economy faces a business recession, the dollar enters a period of trial and testing. The dollar came under considerable pressure early in 1958, when credit policy was aggressively easy and a large budget deficit was in prospect. The pressure on the dollar was even greater in 1960.

Last year, lower short-term interest rates at home made it attractive to shift funds into foreign money markets at the same time that speculative activity was being engendered by disturbing statements in the early part of the election campaign, fears of a resurgence of inflation and of a dollar devaluation, and the prospect of revaluation of the Deutsche mark and other convertible currencies abroad. As a result, even though the foreign trade balance was exceptionally favorable to the United States in that a record volume of exports coincided with cyclically declining imports, the gold outflow in the eight months of the recent dollar crisis amounted to almost $2 billion, or about 10% of the monetary gold stock.

This year, our balance of payments has improved quite radically from a net deficit of $3.8 billion on all accounts in 1960 to no more than a small deficit in the first half of 1961. However, this improvement was achieved as a result not only of a marked increase in exports and a cyclical low in imports, but also of sizable pre-payments of indebtedness by West Germany and others. The outflow of short-term funds has persisted, albeit at a greatly reduced pace.

Thus, the recent improvement in the balance of payments, while welcome, is not encouraging for the future; on the contrary, the fact that it has been achieved with the help of exceptionally favorable and partly nonrecurring circumstances underscores the chronic nature of the balance of payments deficit. It must be apparent that the United States faces pressures on its balance of payments not only when domestic business is contracting—especially if this occurs while major economies abroad are continuing to operate at a high rate—but also when, as today, the trend of the American economy is upward.

This prospect would be deeply disturbing even if the dollar were not a key currency and the United States not the world's banker; no country can suffer persistent international deficits for a protracted period without being denuded of its monetary reserves. The dollar, however, occupies a special position in the inter-

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Economic Medicine Men Ignore Nation's Progress

By Hon. Thomas B. Curtis,* *United States Congressman from Missouri*

The Kennedy Administration is indicted for abandoning the private system of success and replacing it with a Socialistic system of failure at home and, also, abroad with public monies used to compete with American private foreign investments. The new problems created by success of private enterprise can be solved by that same system, Rep. Curtis asserts, and not by government action. The major errors committed in our economy are said to be found in the government sector and not in the private sector. Moreover, those exercising political power now are accused of not facing the real problems created by government excesses and of hacking away at the basic strength of the private sector which has kept us running despite those excesses. Rep. Curtis cites the record of our successes and shows how data are distorted to paint a picture that does not exist.

Everyone loves success. This may be true, but certainly everybody does not love the successful man. Envy is not love. One thing I am fairly certain about—success does not stifle critics. Most people like to tell a successful man what to do with his success or how he could have been more successful. Some even go so far, in envy, to throw doubt on whether there has been success in the first place. I believe the same observations may be made about societies. Everybody does not love a successful society. Other people, prominent among them the unsuccessful, are perfectly willing to advise the successful society what to do with its success.

Hon. T. B. Curtis

Those who question whether success has indeed come about do so in two ways:

(1) By saying that the goal, in effect, was not worth achieving.

(2) By belittling the achievement through pointing out how much more there is to be achieved.

Doubting Thomases Abound

So, in America today we have reached success in the economic field to an extent never even dreamed of 200 years ago and surpassing the dreams of 100 years ago, even the dreams detailed in the extravagant stories of Edward Bellamy and Jules Verne. So, now we are met with sidewalk superintendents, those cousins of Monday morning quarterbacks, who question whether the economic goals are really the goals that we should have been achieving and, at the same time, sowing seeds of doubt as to whether anything has come about anyway in the field of economic progress.

Criticism, even unconstructive, should always be welcomed, however painful and exasperating it may be. Otherwise complacency sets in. Very little success stems from complacency.

Certainly it is a proper question to ask what indeed are our goals, but I think achievement of some goals should not be ignored or downgraded because other goals remain which have not been achieved. Each achievement towards any proper goal forwards the progress toward those other proper goals not yet attained.

There is little question that economic success better enables men to achieve success in other areas. Economic achievement, in essence, frees man from his physical environment. One of man's first economic achievements was to utilize fire. People still raise the question whether fire is man's friend or man's enemy. So we asked, as did Nobel the inventor, is dynamite friend or foe; we are now asking whether atomic power is friend or foe. These questions have an obvious answer; power has no morality; knowledge has no morality; the morality enters only as man uses power and knowledge.

However, there is something about knowledge and power which relate to man's morality. I think it can be established by common observation that man has gained added knowledge and added power only to the extent that he has learned to work better with his fellow man. The societies that have advanced the most economically are those societies which have the greatest number of their people sharing in the gains from the economic advancement. Increased productivity is based upon the average man's improved standards of health, recreation, and leisure time devoted to education and training.

This widespread economic benefit is not the result of any person or any group planning this to come about. We know too little about the whole process to make such egotistical claims. These benefits seem to be inherent in the process. Indeed, when someone comes along to move economic advancement ahead artificially, outside the system and in nonconformity to it, through governmental or any other arbitrary means, the net result is negative, not positive. The individuals sought to be benefited are only benefited for a very short period of time; and, in the long run, all people, including these selected beneficiaries, suffer as the result of the application of this well-meaning ignorance.

Not a "Standpatter"

In America today, anyone in public life who talks as I do about our economic success is immediately challenged with this stupid retort: "Then you are satisfied with the way things are. You are a standpatter." Well, I am pleased with our success. But, no, I am not satisfied with things as they are. I want to get on to meeting the problems that our success has created—the problems of moving ahead further—but wisdom dictates that in doing so we must take care not to damage the time-tested institutions which have brought us this far. This philosophy makes me a conservative.

Now, let me discuss a few specifics. We have had tremendous success in the field of health care in our society. So successful have we been that untimely death from plagues and germ diseases has largely disappeared. One result of this achievement is the closing down of our orphanages throughout the country. There are practically no double orphans—children where both parents die prematurely—in the United States today. There are very few persons who cannot appreciate this fact through their own personal experience. I remember the children from the Webster Groves Orphans Home who went to school with me. Ten years ago this orphans' home was shut down—there were no more orphans.

This is an example of where success solved a problem. However, success likewise creates problems not existing before. At the same time our great advancement in health care eliminated the orphanages, it created a great demand and, up to the present, an inadequately met demand for facilities designed to take care of our aged. People today are living on an average of 10 to 15 years longer than a generation ago. Just as we did not anticipate the elimination of the orphanages as the result of success in the health field, so have we not anticipated the problems created by our success in increasing the number of people who reach and go beyond the golden age of the Bible, three-score and ten.

Success Breeds New Problems

The point, though, is this: Can the system which created the success which brought on the problems solve the problems? I think there is no question that it can. Yet, look what is happening. The sidewalk superintendents who had precious little to do with achieving this success are shouting throughout the land about the problems we now have in caring for the aged, never mentioning the fact that they stem from success, not failure. Indeed, they smear the very professions and institutions responsible for the success: the medical profession, the drug industry, the hospital profession, the insurance profession, the nursing profession, our private charities and our churches. These voices of ignorance and prejudice are saying that we must abandon the system that brought about the success if

we are to meet the problems it has created.

This is a pattern in America today. It is not confined to the field of health. Let's take the general field of economics. We have set forth three basic national economic goals for ourselves: maximum employment, sustainable economic growth, and price stability. These are three sound goals, and working towards all three supplements the progress towards each.

We have had amazing success in attaining all three. Yet, in this instance, the success which we have achieved and which we know, through common observation, exists is being denied by the sideline critics. The techniques employed to persuade people that white is black are shameful. They are based upon a strange appeal to intellectual snobbery; an appeal to the half-informed who wish to have the accolade of being fully informed without devoting the necessary time and patience which true scholarship requires. We are witnessing a calculated distortion of our economic statistics by persons who do have claim to the social stamp of scholarship.

Cites Employment Gains

The success we have had in employment is being denied by uncritical references to our statistics on employment and unemployment. The bare statistics, limited as they are, still show an amazing story of success. We have 68 million people employed today, in contrast to 47 million 20 years ago; an unemployed labor force of less than 5 million men and women, compared to an employed labor force of 8 million, almost all men, 20 years ago..

We do not count students, full-time or part-time; housewives; do-it-yourself projects; or military manpower in these employment figures. Yet one of the remarkable aspects of our recent economic achievements has been the added number of years our students go to school before entering the labor market and the increased amount of time spent in adult education, on-the-job training, and self education. Today an American going to college is like an American going to high school 30 years ago. Today a worker who has never had on-the-job training, or retraining, is exceptional. Personally, I think education and training should be classified as economic employment and not as unemployment or out-of-the-labor market as is the case today.

Our success in economic growth has been hidden in the grave limitations of the gross national product indicator as a measurement of sustainable economic growth. The valuable economic statistical series was never created to measure economic growth and, for many reasons, is inadequate to do so. Yet false scholars have been using this indicator to distract the people, businessmen, and lawmakers' attention from the economic growth which common observation shows us has been greater than at any period in our history. In fact, so rapid has it been that it is not inaccurate to refer to it as revolutionary. Indeed, we coined a new word to describe it —automation. Automation, upon analysis, is nothing more than economic growth as we have always experience it—its novelty is the rapid rate.

Automation Begets Growth

Let's look to other proof that we have had rapid economic growth, not economic stagnation, in the 1950's. Thirty per cent of the goods and services now available to the consumer were not available five years ago. Thirty per cent of our plant and equipment is obsolete and should be replaced—not worn out, obsolete. The shift of employment from the manufacturing sector to the sectors of distribution and services has been moving at an accelerated pace. The shift within manufacturing from blue-collar workers to white-collar workers is likewise moving at an increased rate. This is the result of automation—rapid growth, and it means we are spreading the goods and services now newly available and of higher quality more evenly to more of our people. All of this produces a more flexible economy and, therefore, a much tougher and stronger economy either for peace or for war.

Our considerable success in the past 10 years—since the Federal Reserve Treasury accord of 1951—in maintaining price stability has been distorted by concealing the limitation of our price indices as a measure of inflation, or cost of living. Our price indices were never designed to measure price stability. What the price indices, since 1951, really show is the price of our increased standard of living; if they showed the price of our old standard of living, I believe they would reveal a lower overall consumer and whoesale price because of the productivity gains which have been passed on to our consumers.

The three successes, however, have created, as successes usually do, new problems which our system must solve. just as many old problems have been solved. The challenge to us is this: can the system which created the success solve the problems which its success created? Or must we abandon the system in order to solve the new problems?

Again, the sidewalk superintendents are busy at work calling attention to the problems, never paying the slightest attention to the success. Indeed, in the same breath they deny the success, in order to downgrade the very institutions which have produced the success. They say we must abandon this system and adopt a new system which relies more heavily on the political sector, particularly the Federal Government bureaucracy, to solve these new problems. Government must move from the position of being a servant of the people to being a partner of the people. How soon will it be before it is the senior partner and then the master of the people?

By-Products of Success

Let's examine some of our new problems created by our success. Rapid economic growth does create a greater incidence of frictional unemployment. By its very operation, it is making old skills obsolete and particularly making the jobs of the unskilled and semi-skilled fewer and fewer. The more rapid the growth, the greater the incidence of frictional unemployment. Can the system which produces the success meet this problem which it creates? I believe so, because in the very process of advancement more jobs,

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albeit requiring much higher skill, are created than are displaced. The problem is to identify the new jobs coming into being sufficiently ahead of time to start training the people to fill them. From the jobs left open by those people who take on these jobs requiring higher skills will come the openings for those of lesser skill whose jobs have become obsolete. This is not the simple process of matching the jobless with the new jobs automation creates. However, its complexities are by no means beyond our capacities to understand and solve them. Indeed, the private enterprise system is inherently set up to do this very thing.

Rapid economic growth does create budget problems for our people. The problems are not the result of inflation, but simply the result of the higher cost of the higher standard of living now available to them. Can the system which produced the success solve this budgetary problem? I believe so, because the very success is predicated upon improving productivity. From the increased productivity can come two things without causing inflation, if they are kept within the bounds of the productivity increase:

(1) Increased wages and salaries.

(2) Downward adjusted prices of the new and better-quality goods and services.

However, if the success is to continue, a third partner must come in for part of the economic gain from productivity, that is, investment capital. It costs money to junk obsolete machinery and obsolete skills. It costs money to buy the new equipment and to train the new skills now needed. It costs money to engage in the research and development — and the underlying education—which is the basis of all economic advancement. The more rapid the growth, the greater demand there will be for new investment capital. Today it requires about $20,000 of new capital investment to create one new job — another proof, by the way, that our economy is growing very rapidly and is just the reverse of stagnation. This $20,000 figure a few decades ago—even allowing for the impact of World War II inflation—was only half of what it is today.

New capital investment comes from only one source—people's savings. In order for people to save for investment, there must be a sufficient incentive for them to transform what otherwise would have been, at their own choice, a consumer expenditure dollar into a saved dollar. To encourage this personal choice to save instead of to spend, the system must provide for adequate return to a person who has saved instead of spent. In addition, for people to invest this saving in risk ventures, there must be some incentive for the risk they take. The amount of return must be related to the amount of the risk assumed. It is this essential feature of the private enterprise system that the sidewalk superintendents are most ready to ignore, or to distort. Many of them talk as if a return on invested savings is socially immoral and an economic burden, rather than an economic function. This failure to relate investment return to investment risk results from ignorance or, what is even more dangerous, a disbelief in our system.

There is a third and final area in which our private enterprise system of economics has met with tremendous success. Yet, again, we can see this success denied and the problems that the success creates used as a source of destroying the system itself. I refer to the field of private international economic relations where our system comes into direct competition with the systems of other societies.

For the sake of discussion, I break down our international endeavors into three fields:

(1) Trade.
(2) Investment.
(3) Banking.

Analyzes Gold Outflow

It seems to be true that man first becomes a trader, and from his success here he become an investor, and from his success as an investor he becomes a banker. Certainly the United States citizens have had great success as world traders.

The recent gold flow was not an imbalance in our trade accounts. Indeed, the healthy trade balances were bulwarks against the flow. Upon this success in world trade the United States citizens became successful as world investors.

The recent gold flow was not an imbalance in our private investment accounts abroad. Indeed, our investments abroad are sound and profitable, and provided strength to our banking position. Upon the successes our citizens attained in trade and investment, the United States citizens became the world's foremost bankers.

The recent gold flow did result to some degree because of our actions as world banker. However, it should be noted that our international banking has been closely tied with our Federal Government and has not been built as strongly in the private sector as in trade and investments. perhaps this is a necessary relationship; but, regardless, it must be noted and not ignored.

As private bankers dealing throughout the world, the United States has had a great success as in the field of trade and investment. It is in the area of the Federal Government's participation in banking that our position as world banker has been weak. The gold flow was an item of liquidity, not solvency.

I think is it also important to point out that the United States Federal Government has not been a successful trader and that the Federal Government in recent years has entered into trade in a heavy way, primarily, but not alone, in the agricultural sector. Nor has the United States been a successful world investor in the governmental sector, either in investing Mutual Security funds, Public Law 480 funds, Counterpart funds, or other soft moneys. Furthermore, and probably even more disturbing to our position as a world banker, the United States Government has not handled its own domestic fiscal affairs wisely. It has not had balanced budgets, either annually or over business cycles. It has not cut back its expenditures to meet its enormous and bloated tax receipts, let alone adjusted its expenditures to the levels of receipts to be anticipated from a sound tax system.

The Federal Government has been living upon an unhealthy tax structure that is slowly eating away and dissolving the healthy tissues of our private enterprise system. Nor has there been wise management of the huge federal debt that this process of continued deficit financing has created. The debt has become shorter, not longer, in maturity, making its inflationary impact greater and harder to withstand. Furthermore, the job of refinancing this enormous debt creates an unhealthy competition on the government's part with the private sector for its increasing demands for investment capital to finance our rapid economical growth.

It is within the governmental sector that the major errors have been committed, and yet the legislation presented to the tax and tariff-writing and debt-managing Ways and Means Committee this year by the Kennedy Administration was directed to treating the gold flow problem as if it were the United States private citizens as fold traders, as world investors and world bankers who were at fault. Instead of facing up to the real problems created by governmental excesses, the Kennedy Administration hacked away at the basic strength of the private sector which has kept us running in spite of these excesses.

What purpose was served by the cutback on the amount a tourist could bring in from $500 to $100? What in the name of Heaven could this do about the gold flow? All it did was to cut back private foreign trade at the most personal level of people-to-people. What, indeed, could be achieved by imposing a greater burden upon our foreign investors by changing the basic tax laws relating to foreign investment? What, indeed, is achived by moving our trade regulations away from a system of reciprocal tariffs to quotas, licensing, monetary manipulations, and informal government-to-government understandings? This means more rigid trade restrictions, higher trade barriers, and less international trade. The most restrictive and regressive trade barriers conceivable are quotas, licenses, and monetary manipulation—the primary result achieved by these techniques of trade regulation is to have governmental bureaucrats directing our foreign trade through administrative fiat. Tariffs at least are written for all to read and apply and require no dancing attendance in the antechambers of the federal bureaucrats. We need more government by written laws and regulations and less government by men.

I have moved quickly over many important areas. The theme I have sought to drive home is that the private enterprise system has proved to be highly successful. The great problems we face today are not a result of the failure of the system, but a result of its great success. The question of whether the system that produces the success is best suited to solve the new problems can be answered emphatically in the affirmative. Yet, through the political power now being exercised by those in control of the Federal Government and Washington, D. C., it is being answered in the negative. We are abandoning the system of success and replacing it with a system of federal bureaucratic decision which has produced failure, not success, throughout history and around the world today.

It is this system of failure—a system of socialism, if you please —which America is being asked to adopt at home and is already exporting abroad with the public moneys turned over to the control of our federal bureaucrats. These public moneys are being used to compete with American private enterprise abroad. What efforts are being made abroad which demonstrate the intrinsic value of the private enterprise system—through action, not words —are being damaged by those who apparently have never understood or learned its virtues.

Can a system of failure be deliberately substituted for a system of success? This seems almost unbelievable, but we are watching this occur under our very eyes.

*An address by Rep. Curtis before the Annual Meeting of the National Bank Division of The American Bankers Association, San Francisco, Calif., Oct. 16, 1961. The meeting was held as a part of the 87th Annual A.B.A. Convention.

Reduction of Federal Debt And Tax Rates Is Imperative!

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United States cotton growers would be able to compete in world markets and make a good living in the process.

Unnappily the government shows no signs of cutting back on its subsidies and handouts. Indeed, it gives promise of moving off on just the opposite tack—of actually broadening the field for subsidy, at the very moment the nation is called upon to make a vast new effort at defense. Moreover, in the process it appears to be embarking on a radical new philosophy, a philosophy which calls for the Federal Government to take over responsibilities which heretofore have been shouldered at the state and local level.

Consider as one example the new housing law, with its grants to local communities to finance part of the cost for certain recreational facilities. Or take the urban renewal program, a part of which involves what used to be called normal civic improvements—local sewers, water lines, firehouses, and the like. The "Wall Street Journal" recently pointed out the paradoxical operation of this program in Texas, where the two largest cities have yet to receive a cent, although some 18 smaller towns have jumped on the bandwagon to the tune of $19 million. Add to this the aid given for local highway projects, the proposed aid to education, huge Federal outlays for local welfare purposes, expanded public power, first low-income housing, now housing for the middle-income group (to name only a few programs), and it becomes crystal clear that the Federal Government is taking on a vast new dimension, one which has crept up like a tide on the American people and which I know they would not sanction if they were fully aware of the administrative costs as well as the power of these vast sums in the hands of bureaucrats.

One result, of course, is that the taxpayer in Pittsburgh, St. Louis, or even New York is called upon to pay for benefits that fall to other citizens thousands of miles away. We find invoked a new principle: taxation without benefit, and benefit without responsibility—all to the detriment of a true democracy.

Indeed, one of the great challenges of a democracy is the responsibility it throws on the individual. Personal freedom is only possible where there is a high measure of personal self-discipline. Yet such discipline is bound to be seriously weakened when benefits have no relation at all to responsibility.

Urges Defeat of Federal School Aid Program

That is a major reason why all of us, in my judgment, should oppose extending Federal aid to education. From the outset of our country, education has been a prime responsibility of local and state government — of those who benefit most directly from it. It is up to the local community, and above all the parents in it, to see that the community has good schools. It's the representatives from these same local communities, acting as a group, that need to stand watch over the state universities, maintaining adequate facilities and assuring their high quality. For those who can afford it, there is still a further responsibility—help, badly needed, for the independent colleges who have contributed to much to this country over the years.

Let me ask this question: Is it better for the home and the family that they bear ultimate responsibility for education of their young; or should they wash their hands of the whole matter and cast it off on some far-off central government? Is the farmer a better man if he plans his own life and relies on his own ability and initiative rather than being dependent on handouts from big brother in Washington? Is it better for the local community to see to its own physical welfare—its parks, its utilities, all those things that make for a better environment—or should it too fall back on largesse from some outside bureaucracy? The answer to me is clear-cut. If Americans are to have a sense of pride, of strength, of well-being that comes with accomplishment, the individual, the family, the local community must bear ultimate responsibility for their own welfare even though personal sacrifices are required. Only in this way can we have a strong, self-reliant, and a more vigorous America.

Down the opposite path, in my judgment, lies softness and eventual moral decay; and moral decay is a far more serious malady than physical hardship. An attitude of "Let Uncle Sam do it" can lead only to evasion of responsibility and a final paralysis of the national will. That is the road to a weak and a declining America.

One of the paradoxical aspects of our present position is that more than ever the individual citizen has the means and the ability to stand on his own two feet. Average incomes in real terms today are two-thirds higher than those of a generation ago, and they still are rising. How much better it would be to add to these incomes further by reducing the tax burden, thereby strengthening the ability of the family to carry on those responsibilities that rightfully belong to it. Instead we are confronted with a threat to siphon off an even larger share of income for handouts throughout the country. Very few families, if any, realize that urban renewal, government power projects, or costly assistance to the farmer represent in reality a tax on themselves. If they did, they might have second thoughts on the matter.

The time has come, in my judgment, to take a realistic forward look at the fiscal position of government and to do some wise and intelligent forward planning. We bankers quite naturally have been reluctant to advocate any tax cut at a time when the government is running a deficit. Now that the nation faces a huge rise in defense spending, our caution and reluctance become stronger than ever. But the fact of the matter is that government revenues under the existing tax structure are certain to expand greatly over the next five years. That is an open invitation for increased spending —an invitation which those in Washington are taking advantage of today. Now is the time to reject any program which adds to welfare spending—indeed the present program should be materially curtailed. We should let our Congressmen know that after needs of defense are fulufilled, we want the highest priority to go to a cut in taxes and to a reduction in the Federal debt.

Federal Debt and Tax Cut Goals Recommended

Indeed, I would set as a goal for the sixties a cut of no less than 10% in taxes and a reduction of $30 billion in the Federal debt. Let me point out again that what I am suggesting is eminently practical in spite of the increased needs for defense. Under present tax schedules, revenues by 1965

for the Federal Government could rise by $25 billion, and by 1970 the increase could be $50 billion, if nothing were done to cut rates back. There is room to finance a larger defense, to cut taxes, and to reduce debt—all three—in the years ahead, providing we have the foresight and the will to do it. The reduction in both taxes and debt should be far greater in these next 10 years, but we at least should set this as our minimal goal.

On the tax front, I would suggest that top priority go to relief on the income tax, both at the personal and corporate level. An eventual reduction of 10% in the corporate tax would merely eliminate the emergency levy put on at the time of Korea. Such measures, along with debt reduction, would yield incalculable benefits over a period of time, including a powerful stimulus both to economic growth and employment.

It is significant, I believe, that almost every student of taxation today agrees that the personal income tax is too high. It is too high all along the line, in my judgment; and I would aim for cuts in every bracket. Bankers in particular know that excessive income taxes constitute an evil influence in our society. They place a large premium on ways to get around the law. Like rationing with its black markets and prohibition even earlier, they provide too great a temptation for too many of our people. They lead to crime and are a direct encouragement for rackets. What is almost as bad, they act to siphon off great energy and ability that might otherwise be directed to productive effort.

It will be recalled that extreme tax rates were first introduced during World War II, as an emergency measure designed to place on everyone a maximum sacrifice. It was never intended at that time that they should become a permanent feature of our tax system. Even today rates in excess of 60% could be eliminated with a loss of no more than $500 to $600 million of income. The gains to society would clearly outweigh this modest sum manyfold.

Federal and Local Debts Soaring

I believe that most people would gladly line up in favor of a tax cut. But they are inclined to pay much less attention to the growth and size of the government debt—certainly less attention than this tremendously important matter deserves. Today we have a Federal debt which is fast approaching $300 billion, or fully 60% of our gross national product. But this in itself is by no means the full story. On top of this direct debt, the government in Washington as guarantor of obligations of a host of agencies has a contingent liability that is of significant importance. Hardly a comfortable position for the troublesome times of today, let alone any period of great crisis! And yet the trend of the debt continues to be up, and not down, as we all know from recent experience.

The Federal debt is to large in itself. But it becomes doubly so when one takes a look at what is happening at the state and local level. These are the units of government whose facilities can't help but be expanded in the sixties—to take care of our growing population, if nothing else. During the fifties, debt of state and local governments increased nearly threefold, from $21 billion to $60 billion on a net basis. An even larger advance appears to be inescapable in the sixties.

There is no doubt in my mind but that the Federal Government could be of greater help to state and local units by reducing its own debt, and by cutting taxes, than through any other course of action. In both instances, badly needed funds would be freed for use at the local level. Again, it's at this level that the funds ought to be raised and spent. At the same time, such action could prove to be a powerful stimulus to economic growth. As a matter of fact, not enough attention has been paid to this aspect of the matter in Washington. Few would deny that economic growth depends in large measure on increased investment — on more tools and on new and better equipment needed to increase productivity. By running a surplus and paying off debt, the government can channel to private business funds for just that purpose. One gets no economic growth by spending on welfare projects! Nor does defense necessarily bring economic growth in its wake.

"Lip Service" to Balanced Budget

We shall never achieve debt reduction, let alone a tax cut, unless we plan ahead for it. For years now the government has paid lip service to a balanced budget over the life of the business cycle—to a surplus in good times which will offset deficits in less prosperous years. But somehow the surplus never manages to match the deficits, and the fault in the past hasn't lain in defense or foreign aid, as I have already pointed out. Rather, the basic, major difficulty has stemmed from skyrocketing subsidies and welfare costs. This remains the grave danger for the future. Indeed, it's a bit paradoxical that the President has called on all of us for sacrifice, and then proposes increased subsidies and new programs designed primarily to make life easier. We can't have it both ways and remain the world leader for freedom.

What is required is a long range plan for fiscal reform and the will to see it through. But if this is really to be accomplished, it will require an informed and aroused public opinion to back it up. This calls to mind that old saying that when a politician changes his point of view, it may not mean he's seen the light but rather he's felt the heat! That's where bankers enter the picture. Our people need to be informed of the facts and urged to act upon them. All of us, as bankers, are leaders in your communities. Let's acquaint our fellow citizens with the outlook and the problem—convince them of the necessity for fiscal reform and that now is the time for needed action. Tomorrow will be too late!

More is at stake, of course, than either the budget or tax reform, important as these are. Involved, as I have already suggested, is our own future way of life: whether we are to become increasingly soft and dependent on government or stand as families and individuals on our own two feet. We ought never to forget that, in spite of all the gadgets around us, we live in a rugged world. Anything that is done to weaken the individual, or to destroy his self-reliance, weakens America; for the power of the nation is only a multiple of the strength, skills, and character of the individuals that make it up.

Moral Regeneration Needed

What is needed more than anything else is a rebirth of the spirit—a moral regeneration combined with a renewed toughness of character. Indeed, we must live according to the Ten Commandments and the Sermon on the Mount, for in doing so man becomes strong and the need for manmade laws is greatly lessened. Today Mr. Khrushchev and the communists are convinced that they have great military and economic power and it would be a bad mistake to underrate them. Yet no good American can doubt for a moment the final outcome. Our people have an underlying strength and a solid core of good common sense. Their skills provide a potential for great growth and progress — a potential which the communists can never match. We possess the most precious heritage of all—freedom—a blessing the average Russian dare not even dream of. Americans must oppose with all their vigor any encroachment by government on any of the three basic freedoms: speech, religion, and economics, in order to make the most of our tremendous advantages. The future of the world may well depend upon it.

*An address by Mr. Champion before the Annual Meeting of the State Bank Division of The American Bankers Association, San Francisco, Calif., Oct. 16, 1961. The meeting was held as a part of the 87th Annual A.B.A. Convention.

Haas, Koch Co. Formed

Haas, Koch & Co., Inc. has been formed with offices at 120 Broadway, New York City, to engage in a securities business.

Frank Romanzi Opens

SYOSETT, N. Y. — Frank J. Romanzi is engaging in a securities business from offices at 31 Westminster Road. He maintains a branch office at 241 Fifth Ave., Brooklyn.

Equity Secs. Branch

FRESNO, Calif. — Equity Securities Corporation has opened a branch office at 375 North Fulton Street under the management of Aram Booroojian.

Wood, Gundy & Co. Official Changes

Wood, Gundy & Company Limited, has announced that Edward S. Johnston, vice-president, formerly in New York, is now located in the Montreal office, 360 St. James Street West.

Garrett H. Taylor, a director of Wood, Gundy & Company Limited has been appointed president of Wood, Gundy & Co., Inc., 40 Wall Street, New York City.

Williston, Beane To Admit Two

On Nov. 1 Marvin D. Kantor and William W. Sellew Jr., will be admitted to partnership in J. R. Williston & Beane, 2 Broadway, New York City, members of the New York Stock Exchange.

Gordon to Be L. K. Simon V.-P.

SYRACUSE, N. Y.—On Nov. 2 Abraham A. Gordon will become a vice president of L. K. Simon & Co., Inc., Seitz Building, members of the New York Stock Exchange.

Now G. E. C. Securities

The firm name of First Continental Planning, Inc., 130 West 42nd Street, New York City, has been changed to G. E. C. Securities, Inc.

American International

LOS ANGELES, Calif.—The firm name of Fallon, Kelly & Company, Inc., 7755 Sunset Boulevard, has been changed to American-International Securities, Inc. The firm maintains a branch office in Van Nuys.

Now With Black Co.

PORTLAND, Ore.—John D. Macy has been added to the staff of Black & Co., Inc., American Bank Building. He was previously with Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Form Klein, Runner

WASHINGTON, D. C.—Klein, Runner and Company Inc., has been formed with offices at 15th and H Streets, N. W. to engage in a securities business. Milton I. Klein is a principal.

New Mora Office

LOS ANGELES, Calif.—Mora & Co. has opened a branch office at 3030 West Temple Street under the direction of Gerald Milton.

Bacon, Johnson Branch

PHILADELPHIA, Pa. — Bacon, Johnson & Associates have opened a branch office at 1315 Walnut Street under the direction of Charles E. Bacon.

Herman and Cubita

Arthur A. Herman and Walter A. Cubita are conducting a securities business from offices at 580 Fifth Avenue, New York City.

AS WE SEE IT

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It is no longer permitted to do any such thing, at least in the degree necessary for such purposes.

The Facts

A glance at the facts as they have developed during the past two or three years makes this aspect of the problem crystal clear. We began to lose gold on a large scale early in 1958. At the beginning of that year the discount rate at the Federal Reserve Bank of New York stood at 3%. Shortly after gold began to leave our shores in quantity, the rate was reduced (not raised as would normally occur) to some 1¾%. At the beginning of the next year, that is in January, 1959, after almost a year of rather steady loss of gold, which was continuing unabated, the rate was still ½% below what it had been when the gold outflow set in. During that first year the rate on commercial paper declined (not rose as normally it should) from about 3.49% to 3.31%. The bill rate and the yield on high grade bonds rose moderately, but not enough to make very much difference, one way or another. The explanation of these abnormal movements is to be found in the fact that outstanding Federal Reserve credit rose from $26.6 to $28.3 billion.

Some apparent rather short-lived awakening to the true inwardness of the situation is reflected in the developments during the year, 1959. By the end of that year the discount rate at the New York Reserve Bank stood at 4% and the excess of indebtedness of member banks to the Reserve system over their "excess reserves" rose to $492 million against a small amount a year earlier and some $133 million when the outflow of gold began, the discount rate had risen to 4%, the rate on commercial paper rate to 4.88%, the bill rate to 4.40%. and bond yield to 4.61%. All this despite a rise of a billion dollars in outstanding Federal Reserve credit. This temporary and partial yielding to natural forces has, incidentally, been, and is still being severely criticized in official quarters, and for that matter in some other circles. But it did not last very long.

An Election Year

The year, 1960, was an election year, and by the end of it, the discount rate had come down to 3%, the commercial paper rate to 3.06%, the bill rate to 2.28% and the yield on high grade bonds to 4.34%. Meanwhile changes had been made in the reserve requirements of member banks. As a result of it all, reserves of members in excess of requirements and of indebtedness of such banks to the Reserve system rose to $838 million. A new Administration even more convinced of the validity of New Deal ideas than the Eisenhower regime came into office at the beginning of 1961. The steady outflow of gold came to an end early in this year, but virtually all authorities are quite uncertain what the future holds in this respect even if some of the figures showing large exports of gold are rather easily explained away.

In any event there is no evidence in the figures of any determined effort to bring the situation under control. Changes in reserve requirements have permitted a reduction in outstanding Federal Reserve credit; commercial paper rates have receded a little and the bill rate is slightly up as are bond yields. The excess of member bank reserves over requirements plus indebtedness to the Reserve system (usually referred to as free reserves) is down a little but not very drastically. The discount rate is still 3%.

What the authorities would do should we begin to lose gold again in substantial amounts is not, of course, known to us, but there is no evidence in public statements to suggest that they would permit such loss of gold to have its normal effect upon the money market. The report of the Subcommittee on International Exchange and Payments of the Joint Economic Committee of Congress, above referred to, lists a number of steps that it believes the government of this country should take in the

premises. For what it is worth as an indication of official thinking in Washington, the committee does not even seem to be aware of the normal reaction to the loss of gold in a free economy, but instead has a good deal to say about pursuing policies directly contrary to such action — pushing various government policies to stimulate growth, broader buying of governments by the Reserve Banks, and abolition of gold reserve requirements in order that the loss of further gold would not "squeeze" us.

The cold truth of the matter is that the whole tenor of New Deal thinking (including that of the Republican as well as the Democratic party) is quite inconsistent with prudent management of our international financial affairs. This fact was long ago recognized by at least some of the founders of the New Deal faith, but has apparently been forgotten by many, if not all, the economic managers of this day and time. The sooner some of these fundamental truths become generally recognized, the better for us all.

Bernard Neuman Opens

OCEANSIDE, N. Y. — Bernard Neuman is engaging in a securities business from offices at 50 Irma Drive.

Form Condell & Co.

Condell & Co., Inc. is engaging in a securities business from offices at 320 Broadway, New York City. Officers are Herbert S. Condell, president, and Irving Heitner secretary-treasurer.

Joins W. H. Loftus

FRAMINGHAM, Mass.—Lorraine M. Bouthiller and Lucien L. Bouthiller have joined the staff of W. H. Loftus & Co., 109 Concord Street. They were both formerly with Herman Rousseau of Worcester.

Nomura to Build Research Inst.

Nomura Securities Co., Ltd., Japan's leading investment and brokerage firm, will establish a research institute which will incorporate all the modern facilities and know-how of those found in America.

Building plans for the new institute, said to be the first of its kind in Japan, have not yet been completed, according to Kiichiro Kitaura, Executive Vice-President of Nomura, but it has been agreed that an American will head it. The building site is expected to be in the vicinity of Tokyo.

Mr. Kitaura, who departed for Tokyo Oct. 18 after a rather intensive two-week trip throughout the United States made a study of the facilities at Batelle, Stanford, A. Little, Armour, M. I. T. and several other research institutes. His study of the American research-type plants will form the basis for the Nomura unit.

Mr. Kitaura envisioned a "substantial" increase in the amount of underwritings for Japanese firms. In his talks with many of the leading financial firms in the U. S. Mr. Kitaura said that many new financings appear to be in the offing.

He pointed out that Nomura has played a role in three major underwriting thus far this year, the most notable one being for Sony Corp. with Smith, Barney & Co. The Sony underwriting was the first time a Japanese security was offered here.

V. J. Posillico Opens

ASTORIA, N. Y. — Vincent J. Posillico is conducting a securities business from offices at 23-69 28th Street.

Form L. M. Rosenthal Co.

L. M. Rosenthal & Company, Inc., is engaging in a securities business from offices at 120 Broadway, New York City.

Sachs Investing Opens

BROOKLYN, N. Y. — Sachs Investing Corp. has been formed with offices at 26 Court Street to engage in a securities business.

Howard Stone Opens

Howard Stone is engaging in a securities business from offices at 522 W. End Ave., New York City.

R. H. Tullis Opens

Robert H. Tullis is conducting a securities business from offices at 475 Fifth Avenue, New York City.

H. B. Veysey Co.

GLENS FALLS, N. Y. — H. B. Veysey & Company, Inc., is engaging in a securities business from offices at 83 Sheridan St.

Form Weaver & Sammon

ROCKAWAY POINT, N. Y. — Weaver & Sammon has been formed with offices at 195-10 Rockaway Point Blvd., to engage in a securities business. Partners are William Weaver and William Sammon.

In Securities Business

A. A. L. S., Inc. is engaging in a securities business from offices at 2 Park Avenue, New York City.

J. L. Fishman Opens

MT. VERNON, N. Y.—Joseph L. Fishman is conducting a securities business from offices at 485 East Lincoln Avenue.

Benjamin Gutman Opens

BROOKLYN, N. Y. — Benjamin Gutman is engaging in a securities business from offices at 1217 Forty-sixth Street.

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national monetary system; trouble for the dollar has worldwide repercussions.

International Monetary Questions

Under the present international monetary system, some countries prefer to keep their reserves in gold, while others include foreign exchange holdings, notably dollars and sterling, among their reserves and settle their accounts in these key currencies as well as in gold. The utilization of foreign exchange in this fashion obviously increases the volume of the world's monetary reserves—and the amount of international liquidity—above what would be available if gold alone were the instrument for keeping reserves and making international payments.

In the immediate postwar years, the balance of payments deficit of the United States performed a useful service; it provided liquidity to the international economy and assisted other nations in rebuilding reserves of gold and dollar assets. Since then however, reserve positions of the major countries of Continental Europe have reached considerable strength; in some cases, accumulation has already become excessive.

Under present circumstances, a continuing large deficit in the balance of payments of the United States, as a reserve currency country, would provide additional liquidity to the world and thus add to active or latent inflationary pressures. Furthermore, the resultant drain upon the United States gold stock and the increase in our liabilities to foreigners inevitably would expose the dollar to the prospect of increasingly troublesome crises in confidence. Quite obviously, a chronic deficit in the United States balance of payments is wholly inconsistent with the world economy of the 1960's and is showing signs of being a prime source of domestic as well as of international instability.

Contradictory Criticism

As a result of the growth in foreign holdings of short-term dollar balances and the decline in the American monetary gold stock, the present international monetary system has come under growing criticism of late. Some observers, led by the renowned French economic expert, Jacques Rueff, point to the potential instability in the existing arrangements if holders of reserve currency balances should decide to shift to gold. To remove the hazard, it has been suggested that the free world should submit more closely to the rules of the old gold standard, and that eventually monetary reserves should be limited exclusively to gold.

Other critics of the present system, notably Professor Triffin of Yale University, would move in the opposite direction. They believe that under present arrangements the volume of monetary reserves is too greatly dependent upon the size of the world's monetary gold stock and upon the balance of payments position of the key currency countries. They question whether the aggregate monetary gold of the free world will remain adequate to support a growing volume of world trade and international settlements. They also point out, that should the United States and Great Britain redress the deficits in their international accounts, the rise in the world supply of reserve currencies would be curtailed. These critics therefore look to new institutional arrangements that would create a new international credit medium, designed to function as the basic reserve for the various national monetary systems.

Both of these suggested alternatives would certainly raise new and troublesome complications. Under a return to the orthodox gold standard, even with an increased gold price to forestall severe deflationary pressures, there would be no assurance that the gold supply would continue to grow in proportion to the needs of expanding output and world trade. The proposed new international reserve system, on the other hand, would involve serious risks of excessive liquidity and of a resurgence of world inflation.

In the opinion of the free world's monetary authorities, the present system of international payments is basically satisfactory. The two major reform plans assuredly deserve continuing study, but neither has received official support and neither has any chance of acceptance at this time or in the foreseeable future. Consequently, attention must be focused on strengthening the ability of the present system to deal with conditions that have proven to be sources of current or prospective instability in the world of today.

Meeting Short-Term Pressures

The record of international monetary affairs since mid-1960 provides impressive evidence of the disturbing influence exercised by movements of short-term funds among various world money markets. These pressures were especially heavy upon the reserve currencies as first the dollar and more recently the pound came under attack. Moreover, such movements not only pose problems to the central banks and countries losing reserves, but generate unsettlement to the money and credit markets of the receiving countries as well.

Short-term funds move from country to country for a great variety of reasons. Substantial shifts tend to occur whenever major countries are out of phase in their cyclical business fluctuations, encouraging transfers from the countries with sagging economies and low interest rates to others where business is booming and the return on investments is more attractive. These movements are likely to be magnified by the financial operations of business concerns, which seek out the low interest rate markets for their borrowings and the high rate markets for their liquid investments. In addition, of course, there may be speculative transactions, reflecting expectations of devaluation or appreciation of exchange rates, and transfers prompted by political tensions and uncertainties.

The operation of all these forces has been amply demonstrated within the past year or so, and none of the underlying conditions have so far been significantly changed. Business cycles among the major countries continue to move with considerable independence; credit policies an interest rate fluctuations have not been fully coordinated; doubts as to the stability of exchange rates have not been assuaged; the political perils appear more formidable than ever. Unfortunately, therefore, the possibility of further and disturbingly large international movements of short-term funds cannot realistically be ruled out.

One approach to the problem, of course, would be to return to the currency and exchange controls that prevailed in many foreign countries in the immediate postwar years, and which persisted, in varying degrees, until the substantial reestablishment of European currency convertibility in December 1958. It is encouraging to note, however, that there is no desire to return to a system which was never fully enforceable, which proved costly and cumbersome in practice, and which had many undesirable consequences for the economies of the countries involved.

Progress at Vienna

In a search for more acceptable ways to minimize the pressures resulting from excessive movements of short-term funds, Per Jacobsson, Managing Director of the International Monetary Fund, proposed at the Annual Meeting in Vienna in mid-September that additional exchange resources in the form of a call on convertible currencies be made available to the Fund in order to enable it to provide greater assistance to major world currencies when and if needed. Thus, renewed pressures on the dollar, for instance, could be met by giving the United States access to other convertible foreign currencies, which could then be used to support the dollar in world exchange markets, thereby preventing or reducing losses of gold to the United States and averting the danger of a confidence crisis.

It is widely agreed that arrangements of this kind, rather than being left to the spontaneous cooperation of central bankers, should be made through an international agency and in advance of actual need. However, the present ability of the IMF to render such assistance is limited by the fact that its holdings of major currencies have been materially depleted as a result of large support operations in the past. While conceding that the resources of the IMF could be replenished by raising the quotas for specific countries, Jacobsson expressed his preference for having the fund enter into firm arrangements, especially with the major industrial countries under which it could borrow currencies as required. He also emphasized that the ready availability of resources to the Fund, by discouraging speculative forces, would be an important stabilizing factor in the international money markets.

Quite naturally, proposals along these lines have stimulated widespread discussion and debate. Much of the criticism refers to the difficulty of distinguishing speculative movements from pressures arising out of structural imbalances in international accounts and reflects the fear that the availability of added assistance might reduce the incentive for a country running a deficit to solve its own problems. In fact, some of the reluctance to accept the Jacobsson proposal is attributable to concern that additional assistance would be provided without requiring a debtor country to take whatever painful or disagreeable steps might be needed to balance its accounts, or that the plan might foster a tendency, over the years, to use the Fund's resources to cover chronic deficits.

One controversial question refers to the amount of resources to be provided under the proposed stand-by arrangement. Some favor very large sums in order to discourage speculation at its inception; others argue that this would relax the balance of payments discipline on a country in distress.

Also, some would give the Fund complete authority to raise the specified amounts and to use the expanded lending power at its discretion, while others believe that the countries called upon to supply the additional exchange should be free to decide whether they wish to participate in each individual operation and should have the opportunity to pass upon the conditions imposed upon the debtor as a prerequisite for assistance. Moreover, in view of the Fund's past record, there is considerable anxiety that additional resources, instead of being husbanded against temporary pressures upon key currencies, will in fact be dissipated to meet the insatiable needs of the many underdeveloped countries in various parts of the world.

Finally, some observers contend that since the purpose is to raise funds from a relatively few industrialized countries in order to protect a small number of important currencies from speculative pressures, the plan should more appropriately be lodged with an agency such as the Organization for Economic Cooperation and Development instead of the International Monetary Fund. In fact, it is pointed out that Switzerland, which should certainly be a party to any such arrangement, is a member of the OECD but not of the Fund. The counterargument, however, emphasizes that, because of the difficulty of isolating speculative movements of funds, the IMF remains the logical institution to deal with the many problems here involved.

The need to examine these and other questions prevented specific action at the Vienna meetings last month, but this should not be regarded, as it has been by some, as a sign of failure. Careful and arduous negotiations will assuredly be required to reconcile differing positions and to reach agreement on details. However, in the light of the widespread appreciation of the common interest of all countries in avoiding international monetary instability, as demonstraed by leading central bankers, the reasonable prospects are for a workable arrangement to be developed in the months ahead.

Some Basic Considerations

Perhaps the major contribution of the proposed IMF arrangement is that it will give a country whose currency is under pressure time in which to make the necessary adjustment in its balance of payments position. If the international monetary system is to continue to operate successfully, however certain basic requisites must be fulfilled.

One prime requirement is that the international monetary system provide sufficient liquidity to meet the needs of an expanding world economy. Developments in this area are difficult to anticipate, but the best informed official opinion is that no shortage of world monetary reserves is in sight. It is felt quite definitely that present arrangements are adequate, and are likely to remain adequate, to support sustained

growth in the volume of international trade and payments.

Equally basic is the premise of policy coordination. The present international monetary mechanism can work best if there is substantial similarity in economic movements and a large measure of coordination of economic policies among the major nations. This would minimize shifts of funds from market to market, with all their unstabilizing effects. As yet, except in the field of credit, coordination of economic policy among nations is in a fairly elementary stage. However, the need for greater coordination is becoming widely recognized and gradual progress over the years is a reasonable prospect.

Thirdly, it is axiomatic that central bankers in the important countries be able and willing to cooperate in the solution of common problems, especially those problems posed by large speculative movements of funds from market to market. Substantial progress has been made along this line, as evidenced by the support which the major central banks extended to sterling in its period of adversity earlier this year.

Finally, as the Vienna meetings have demonstrated, it has been rediscovered, and is now once more officially recognized, that the international monetary mechanism can function smoothly only if the major countries avoid both large chronic deficits and large chronic surpluses in their balance of payments positions. Essentially, this means that the members of the free world economic community must adjust their domestic policies in order to achieve substantial equilibrium in their international accounts and hence to minimize the volume of net international settlements.

This obligation to maintain substantial equilibrium in the balance of payments is of special urgency for the key currency countries—the United States and Great Britain. This is not merely because large and persistent international deficits for these countries would lead to excessive world liquidity and would further undermine the dollar and the pound—itself a prospect of utmost concern. It is also because, if the two reserve currencies are undermined, the entire international monetary order will be in jeopardy. Hence, no new working arrangement—no matter how well conceived—will be effective unless the two key currency countries face up to those conditions in their domestic economies which are at the root of their international deficits.

Policy Implications at Home

The current position of the United States in international monetary affairs is not without irony. For many years, we have liberally provided counsel to many countries regarding the need for sound management of their international accounts. We have stressed the overriding importance of sensible domestic economic policies and the necessity for halting inflation. We have repeatedly urged vigorous, painful, and at times politically courageous action to achieve the necessary ends. Now that the tables are turned, we are learning that the medicine which others have taken —frequently at our recommendation—is not very palatable when prescribed to us.

Different countries have handled their problems in different ways. West German fairly early in the postwar era returned to a free-market, free-enterprise economy. Helped by rapidly rising productivity, a large inflow of labor from the Eastern sector, and wage-price policies which demonstrated keen awareness of export competition, that country succeeded not only in rapidly rebuilding its ruined economy but also in establishing the Deutsche mark as an outstanding example of a hard currency. France, after a long period of financial distress, introduced a program of fiscal reform and economic planning, and progress here, while less spectacular than in Germany, has also been impressive. Britain, under the pressure of necessity, is now taking a similar approach, with as yet undetermined results.

The efforts of the United States, however, have so far been half-hearted and largely ineffective. Perhaps the most important result to date has been the greater responsiveness of Federal Reserve policy to interest rate differentials between the domestic and foreign money markets; otherwise, we have limited ourselves mainly to promotional efforts and to such specific steps as "tieing" economic assistance to United States exports, reducing customs exemptions for homecoming tourists, and endeavoring to persuade other countries to assume a greater share of responsibility for the common defense and for assistance to underdeveloped areas. All these efforts have had fairly minor effects. Clearly, much more vigorous action needs to be taken to eliminate the basic deficit in our international accounts. Moreover, we have achieved virtually nothing as yet in reshaping the domestic policies that underlie our problems in the international sphere.

Reducing the Deficit

An analytical problem encountered in dealing with the balance of payments is posed by the intricate network of interrelationships among the various factors that affect our international accounts. Thus, the proceeds of grants and credits, private and official, extended to foreign countries are largely applied toward the purchase of United States goods and thus boost our exports, while exports reflecting sales of agricultural commodities under Public Law 480 are offset by the extension of government credits. Despite these complexities, the broad conclusion is inevitable—our net receipts from merchandise trade and services, together with our net income from investments, are insufficient to cover the drain resulting from our private capital investments and the huge government outlays abroad for defense and economic aid.

This leaves an equally inevitable set of three basic possibilities for dealing with the deficit—increasing our export surplus, restricting private investment abroad, or curtailing the government's foreign programs. For the time being, we are largely following the first course, namely, endeavoring to raise our exports in order to achieve a trade surplus adequate to offset the high and rising requirements posed by our commitments to the rest of the world.

Increasing Our Exports

To this end, the government has expanded its promotional efforts on behalf of American goods and has broadened export credit guarantees. However, if we are really serious in our attempts to build larger export markets, more effective action will need to be taken.

Moreover, our ability to compete in foreign markets obviously depends to an important degree also upon the trade and tariff practices of our customers around the world. In part as the result of representations and negotiations by the United States Government, the special restrictions and limitations upon imports of goods from the dollar area, which were imposed in the early postwar years of the dollar shortage, have been largely removed, and their elimination has contributed to the rise of our exports.

However, some of our trading partners still rely upon tax rebates or tax remissions as a device to encourage their exports; this technique, which may have had some merit in earlier years, is hardly consistent with today's realities. Consequently, we should seek to prevail upon these countries to eliminate this practice, and if these endeavors should fail, we should give serious consideration to offsetting this handicap to our foreign trade by introducing similar incentives for our own exports.

In addition, the time has certainly arrived for the next step in the liberalization of world trade, namely, the unilateral reduction of tariffs by the major European industrial nations which, in many instances, levy higher duties than does the United States on similar items. Compared to important European nations, the United States is now a relatively low tariff country. Consequently, we cannot look with favor upon the policies of regional associations of nations, such as the Common Market, that require some of their members to increase their tariffs on imports from non-members, including not only the United States but also our neighbors to the north and south.

The policies and practices of the Common Market with regard to imports of agricultural commodities are also adverse to the Western Hemisphere. We should be mindful that any impediments in the ability of our good customers in Canada and Latin America to sell in European markets are directly adverse to our own interests. The problem would become even more acute if Britain should join the Common Market.

The problem is urgent and we cannot afford to remain apathetic. Unless we can hold and expand our export markets, pressures are bound to increase for the United States to adopt a more restrictive import policy. Admittedly, experience shows that the expansion of export markets is difficult and time-consuming. Consequently, while the attainment of an increased export surplus would be the most constructive remedy to the United States balance of payments problem, we need to explore other possibilities for action as well.

Curbing Investment Outlays

Attention has recently been directed toward steps to reduce the outflow of United States private capital for investment abroad. Here there are two basic considerations. The first is that while foreign investment imposes an obvious drain on our balance of payments position when funds are transferred abroad, the income from such investment is an important credit in our international accounts. In 1960, for example, our income from foreign investments reached $3.2 billion—an amount, incidentally, some $700 million larger than the gross private long-term capital outflow in that year. In addition, it should be recognized that some of our private foreign investment has contributed importantly to economic development and expansion abroad; its curtailment might simply produce pressures for greater assistance through government funds.

The second major consideration is that the United States cannot seriously contemplate the introduction of direct restraints or controls upon foreign investment without injury to the international payments mechanism and risking greater pressures against the dollar. Over the years, our goal, and that of many other countries, has been to re-establish free and unrestricted movements of funds from one market to another. A departure from this principle, even if limited in the first instance to controlling the use of dollars by Americans, would certainly unsettle the foreign exchange markets; it would raise the prospect of controls being extended to foreign-owned dollars or, perhaps, to short-term credit as well.

It is gratifying to observe that the Administration has carefully avoided any suggestion of imposing specific controls or restrictions on investment abroad, but has instead limited itself to recommending tax measures designed to discourage American investment in the major industrial countries, while retaining the special tax incentives for investors in certain less highly developed areas. Even this limited approach involves difficulties, especially in distinguishing between developed and developing countries. For these and other reasons, the Administration proposals have encountered substantial opposition in the Congress and the ultimate result remains in doubt.

Government Spending Abroad

The final item in the catalog of possible specific action in the balance of payments area relates to the foreign military and economic aid expenditures of the United States Government. These expenditures now amount to $5-6 billion a year. It hardly seems possible to eliminate our balance of payments deficit without some reduction in this tremendous total. In addition, the virtual certainty that demands for economic assistance to underdeveloped nations will expand far beyond present magnitudes makes it imperative that we find ways to in-

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crease substantially the economic efficacy of such outlays.

Our foreign expenditures have been controversial since their inception; both at home and abroad, they have raised problems which are now coming to a head. As regards military expenditures, it has repeatedly been pointed out that the United States is unquestionably carrying a disproportionately heavy share, and that a more equitable distribution of the common defense burden is long overdue. The record of economic aid, moreover, has been extremely disappointing, both in a material and a political sense.

It has become evident that providing foreign aid on a bilateral, country-to-country basis is not the most effective or the most economical procedure. The assistance rendered, regardless of size, is obviously never adequate to meet all the demands of the underdeveloped countries, with the result that disappointment, friction and pressures are almost automatic consequences of any decisions we make.

Furthermore, if we endeavor to assign priorities to the projects of various countries, or if we attempt to assure effective use of foreign aid funds (according to our own standards), we invariably intrude upon feelings of national pride and expose ourselves to charges of political intervention. Finally, many of the recipients are averse to building up their monetary reserves, are unable or unwilling to contain inflationary pressures and, hence, cannot place their balance of payments on a healthy footing. Continuing the present system cannot but have distressing consequences for all concerned.

The inescapable necessity, therefore, is to remove economic aid from the sphere of direct relationships with the beneficiaries and instead to participate, with other free world countries, in financing an international agency which would have the responsibility for distributing aid. It would screen competing applications for feasibility and priority, determine the appropriate type and amount of aid, impose the prerequisite conditions upon the recipients, and supervise each stage of the project. Whether the World Bank would be the most effective agency for achieving this objective, as suggested by Robert L. Garner in his recent valedictory address as President of the International Finance Corporation, or whether some other international agency of the free world would be more appropriate, is a matter that can be decided once the general principle is accepted.

This concept of multilateral aid appears to be preferred by the Administration but has so far found little support in the Congress. The Congress has the responsibility to ascertain that the funds it appropriates are used as effectively and efficiently as possible. The multilateral approach would enhance the prospects for a better utilization of resources and could make possible some reduction in our expenditures in this category. An additional benefit of internationalization of aid would be the avoidance of political criticism, either of donors or of beneficiaries. Finally, it would clearly establish that economic aid as well as defense are the common responsibility of the free world, to be borne equitably by all.

Thus, an internationalization of economic aid would be in the best interests of the United States as well as of the recipients. Until the multilateral - free - world approach is accepted, however, the United States should follow the general principle that aid is to be provided in the form of American goods rather than in dollar outlays that pose an additional strain on our international accounts.

Fiscal Policy

Beyond taking direct steps to redress our international accounts, it is imperative that we finally and conclusively recognize, in practice as well as in words, the importance of domestic policies in crucial fields — fiscal, credit, and wage - cost - price policies—upon our balance of payments position and thus upon the strength of the dollar.

United States fiscal policy is currently attracting particular attention abroad. European countries, out of their own experience and their knowledge of world financial history, are highly cognizant of the crucial role of fiscal policy in achieving equilibrium in the balance of payments. Our poor fiscal record of recent years has not merely weakened foreign confidence in the dollar; it has also contributed in real and direct fashion to the deterioration of our competitive ability in world trade. The prospect of a $6-7 billion budget deficit in the current fiscal year, during which economic output and tax receipts will be at record highs, is ample cause for concern. What is even more disturbing is the current uncertainty over the budget prospects for the fiscal year that will begin next July 1.

To be sure, President Kennedy, in his address on the Berlin situation last July, stated unequivocally his determination to achieve a balanced Treasury budget in fiscal 1963, and said he would request additional taxes if they are required to this end. This position was reaffirmed on Sept. 20, when Secretary of the Treasury Dillon said: "I would like to emphasize the firmness of our decision to balance our budget in fiscal 1963." However, despite this unqualified assurance, the fear of another Federal deficit persists both at home and abroad. This makes it absolutely imperative that the Administration honor its commitment, not only because it is in the interest of fiscal stability but also because the failure to do so may well precipitate new trouble for the dollar in world markets.

A balanced budget in fiscal 1963 is a fairly modest goal in view of the prospective strength in the national economy; indeed, in such an environment, the accepted standards of prudent fiscal and debt management policy call for a sizable budget surplus. Even the limited objective of a balanced budget, however, will not be achieved unless the Executive branch takes a firm hand in pruning spending programs and in assigning priorities among programs that compete for public funds.

Since expenditures must be appropriated and taxes legislated by the Congress, the latter shares responsibility for fiscal policy. There seems to be a tendency in the Congress to appropriate even more, in the aggregate, than is requested by the Executive Department; yielding to this temptation is facilitated by the antiquated and obsolete appropriation procedures and the absence of any effective control over total appropriations. Clearly, the Congress will have to keep total appropriations within the limits set by an objective estimate of Federal revenues if the Administration's straightforward promise is to be met.

Production Costs

Another serious threat to the attainment of equilibrium in our balance of payments is the annual round of wage increases which has become a feature of our economy since the end of World War II. In no other important industrial country does this practice appear to be so deeply entrenched nor are wage settlements so out of touch with the actual employment situation.

A case in point is the recent wage settlement in the automobile industry, which has rekindled doubts abroad concerning our ability to keep production costs under control. Even if the increase in labor costs does not lead to a price increase in this industry, where productivity appears to be rising at an above-average pace, the settlement nonetheless sets a pattern for other industries where productivity is advancing less rapidly and where higher costs can be absorbed less well, or not at all.

It is ominous that wages in the United States are mounting in the face of continued high unemployment; as unemployment declines, pressures for higher wages are likely to become even more vigorous. It is no comfort to us that wage rates in some European countries have recently advanced faster than in the United States, since industrial productivity in Europe in general is rising at a considerably greater pace than in this country. In absolute amounts, moreover, wage increases in Europe do not appear to exceed those under way in the United States.

The fact that the President has expressed his awareness of the need to keep prices stable has been noted abroad and has helped preserve confidence in our currency, but this good effect will certainly be undone unless the practice of large annual wage increases, which is at the heart of our rising production costs, is effectively curtailed. It is of course obvious that the leaders of labor unions will not take kindly to endeavors along these lines. Therefore, such efforts stand little chance of success unless the President lends the support of his personal prestige and of his office to a realistic program that will remove what has become a source of chronic weakness in the international standing of the dollar.

To halt the rise in production costs, it is essential that wage increases be limited to a maximum represented by the average long-term growth of productivity in the economy, which has been estimated at around 2% a year. Only in this way will it be possible to forestall either a resumption of the wage-cost-price spiral or a squeeze on business profits. The former contingency would patently undermine our competitive position in world trade; the latter would discourage the high and rising volume of business investment needed to assure continued increases in productivity and sustained economic growth. Either consequence would seriously jeopardize our chance of regaining control over the balance of payments.

A Concluding Observation

The world is still far from achieving the coordination of fiscal, credit and general economic policies that would eliminate stresses and strains in the mechanism of international payments. Governments have responsibilities to defend their individual national interests, and these interests must be recognized and respected by others. At the same time, fortunately, there is a growing awareness among governments that the free world countries have many interests in common, that individual countries are mutually interdependent in many ways, and that national interests may often be served best by cooperating with others, or by shaping and adapting national policies to the needs of the wider community.

After the war, the United States met its responsibilities to the rest of the world in spectacular and unprecedented fashion. Economic aid, on a scale without parallel, was extended to allies and to former enemies alike; with our help, the material ravages of the greatest war in history were speedily repaired and the ground was laid for what in many countries turned out to be astoundingly vigorous economic growth.

Now we face a new, different and more difficult responsibility. It is no longer a responsibility to the crippled victims of wartime disaster, but a responsibility to friends and partners in a common cause. This responsibility is that we manage our own economic affairs in a manner consistent with the realities of a new international environment, that we exercise the national self-discipline already demonstrated by others, and that we maintain the strength of our currency and of our economy which is essential to the well-being of the entire free world.

*An address by Mr. Reierson before the 87th Annual Convention of the American Bankers Association, San Francisco, Calif., Oct. 18, 1961.

Government's Policies to Promote a Growing Economy

Continued from page 22

ceded that this credit should be in the form of a flat across-the-board allowance of 7 or 8%. A majority of the Ways and Means Committee has publicly favored this proposal, and promised early action in the next session of the Congress.

With our depreciation procedures improved by these two basic reforms, American business should be in a position to maintain the most modern industrial plant in the world. This, in turn, should be of great help in avoiding price increases, and thus, in retaining our competitive position in world markets. I shall have more to say about price increases later, when I consider the danger of inflation, but we must never overlook their special importance to our merchandise trade surplus.

The Government is also taking action in other areas which affect our balance of payments position. By emphasizing procurement in the United States, we are reducing the balance of payments cost of our foreign aid programs and of maintaining our troops overseas. In cooperation with certain of our European allies we are also developing mutually advantageous ways of offsetting the drain on our balance of payments of sustaining our military forces abroad.

Active in Foreign Exchange Markets

In the field of short-term capital movements, we have begun—for the first time in nearly 25 years—to take an active role in the foreign exchange markets of the world. In so doing we are following in the footsteps of an outstanding banker, Russell Leffingwell who, as Assistant Secretary of the Treasury during World War I, initiated similar transactions. These operations are adding another dimension to our program for protecting the international position of the dollar.

We are also moving forward in the field of consultation and cooperation. The United States played a leading role in creating the new Organization for Economic Cooperation and Development. This 20-nation group, consisting of the 18 European members of the former Organization for European Economic Cooperation, plus Canada and the United States, helps to coordinate the aid and development activities of the free world. Among its many and varied activities in the economic field, the OECD provides a forum for the continuing, delicate, and private discussions that are an integral part of international financial cooperation. In addition, the Federal Reserve now takes a full and active part in the monthly meetings of central bankers at Basle, Switzerland. The central bank cooperation that flows from these meetings can be most important. Its efficacy was recently highlighted by the success of last spring's so-called "Basle accords" in support of the British pound sterling.

More recently, we have taken an active role in efforts to strengthen the resources of the International Monetary Fund and its capacity to deal with destabilizing movements that might impair the world payments system. I should like to emphasize that we foresee no breakdown in the present system. But we do see a need—now fully recognized by all the leading industrial countries—for standby facilities in the Fund to cope with developments that might strain the functioning of that system. An agreement in principle among the leading industrial countries to provide just such standby facilities was reached at the recent Fund meeting in Vienna. This was the goal of the United States delegation, and I want to make it clear that we fully achieved it.

Says U. S. Was Not Target of Vienna Critics

There has been some public misunderstanding in the United States of the strong opinions aired at the Vienna meeting. These opinions were not critical of the United States. Rather, they were critical of the view that the major problem of international monetary policy had become one of adding to general international liquidity by a grandiose new scheme or "panacea"—to use the word employed by certain of my Western European colleagues. There was some concern that such a view had received support in official U. S. circles. We acted promptly to dispel any doubts on this score. Our own view is—today, as it has been all along—that the current problems of disequilibrium in international payments cannot be solved by any general increase in international liquidity, but should be met by making the existing payments system work. This requires that all countries—surplus countries as well as deficit countries—recognize their responsibilities to work toward equilibrium. It also requires a strengthening of the Fund—such as was agreed upon at Vienna—in order to meet sudden and unusual strains that could threaten the stability of the present payments mechanism.

To sum up: Our payments situation is improved but still requires close attention. We must work on our own and with our allies to decrease or offset the dollar cost of our military forces overseas. We must continue our new and close cooperation with foreign central banks and financial officials in guarding against unhealthy flows of short-term capital. And above all, we must energetically seek to increase our exports.

Views on Withholding of Interest and Dividends and Taxation of Thrift Institutions

So much for our international position. Before turning to domestic fiscal policies, I should like

to say a few words about two tax matters of particular interest to commercial banks: withholding on interest and dividends, and the taxation of thrift institutions.

Withholding of income tax on interest and dividends should not be an issue between the commercial banking community and the Treasury. Your Association has taken a strong position in favor of tax uniformity in the treatment of commercial banks and thrift institutions. This is a concise way of saying that everyone should carry his fair share of the tax burden. All of us want the burdens of taxation shared equitably. All of us abhor the tax evader. And all of us recognize that if tax morality is jeopardized, then the basic democratic institutions of our nation are endangered.

Audit enforcement has proved ineffective in uncovering unreported interest and dividends because the problem is massive, involving millions of transactions. Despite the fine cooperation of the financial community, educational efforts have not resulted in substantial improvement in the voluntary reporting of interest and dividends. It is the Treasury's conclusion, therefore, that withholding—which has been so successful in the wage area—is the only practicable way to eliminate the problem.

I urge commercial bankers to support interest and dividend withholding because they are vital to the nation's interest. I recognize that there would be some additional expense to payers of interest and dividends, and some inconvenience for honest and conscientious taxpayers. But much is at stake. Taxpayer morality is a great American asset. It should be cherished and protected. Our common concern, therefore, should focus on technical implementation of a withholding procedure that keeps the administrative burden to a minimum. Assistance of bankers in this task would be most heartily welcomed by the Treasury.

The tax treatment of mutual savings banks and savings and loan associations should also be improved. They are, undeniably, important suppliers of funds for home mortgages, and this must certainly be taken into account. However, it should be possible to recognize the importance of stimulating home building and, at the same time, to provide a fair method of taxing mutual savings banks and savings and loan associations so that they can begin to carry their equitable share of the national tax burden.

Debt Management Policy

Returning to fiscal policies, I should first like to touch on our debt management program:

Among our various objectives—and they are not always easily reconcilable—we have recognized a factor common to all debt management, of any kind, anywhere: namely, that we must be prudent housekeepers and spread our debts out over the whole potential maturity range. This means taking advantage of every opportunity to lengthen the debt that does not seriously compromise two other objectives: borrowing at the lowest cost, and in such a way as to contribute to orderly growth. We must also keep constantly in mind the impact of our borrowing operations on our balance of payments position.

Consequently, in our debt management program we have so far concentrated our new cash financings in short-term issues, while using refunding operations to add to longer-term holdings. Although through short-term issues we have already raised the great bulk of the new money required to meet the 1962 cash deficit, including the operations of the trust funds, we have still been able to lengthen slightly the average maturity of the debt. Thus, we have been able to satisfy our important "housekeeping" needs and, at the same time, avoid either diverting long-term capital from productive private uses, or creating an interest incentive to short-term flows of capital to other countries.

Closely related to debt management is the Government's performance in terms of the budget: Government expenditures in relation to receipts.

I have already cited the goal of our international fiscal policy: the achievement of equilibrium in our balance of payments. The goal of our domestic fiscal policy is equally clear: the achievement of steady, healthy, economic growth, with price stability and full employment.

To achieve these goals we must make full and proper use of fiscal or budgetary tools. In years of relative prosperity, after tax revenues have recovered from recession, the budget should be in balance, with surpluses during times of full employment to offset the deficits that must be expected in times of recession. Translated into today's situation, this means a balanced budget for fiscal 1963—and this is exactly what the President intends to submit to the Congress next January.

Explains Higher Deficit for Fiscal 1962

With the effect of Congressional action in the last session now clear, it is possible to get an overall picture of our budgetary position for the current year. The Bureau of the Budget will shortly complete and publish its mid-year review, which, as usual, will contain a revised estimate of revenues and expenditures, including detailed breakdowns. While it is not possible to give exact figures at this time, it is apparent that the mid-year review will not make happy reading. Preliminary indications are that it will show a prospective deficit of somewhat more than six and three-quarter billion dollars.

Two developments are primarily responsible for the increase over the July estimate, which was five billion three hundred million dollars.

First, there was the lamentable failure of the Congress to increase postal rates to match the ever-growing postal deficit. This added a wholly unnecessary three-quarters of a billion dollars to our overall deficit.

Second—as those of you from the great Midwest are well aware—this summer brought ideal growing weather, the best we have had in the past decade. The result was an agricultural outpouring that has set many all-time records. This blessing of abundance has unfortunately brought with it sharp increases in our outlays for farm price supports.

Parallel with these adverse budgetary developments, the President increased his pressure on the Federal executive departments to practice the strictest economy, and to defer expenditures wherever possible. Compliance with this directive has produced substantial savings, both for this fiscal year and for succeeding years. Had it not been for the President's forthright action, the deficit we now face would have been considerably larger.

There are three points I should like to make about our prospective deficit:

First, the negative role played by the reduced, recession-level revenues we must look forward to in the current fiscal year. Some may ask why I talk of recession-induced revenues in a period of growing prosperity. The answer, of course, is that our all-important income tax collections, which fluctuate sharply with the state of the economy, always lag some six months behind current developments. In other words, the revenues in sight for the 12 months ending next June—that is, for fiscal 1962—will be based primarily on earnings for the 12 months ending this Dec. 31. As bankers know only too well, this period included the very bottom of the recession. That is what accounts for the seeming paradox of low revenues in a period of sharply rising economic activity.

Says Inflationary Pressures Will Not Develop

My second point is that the prospective deficit should not of itself lead to inflationary pressures. Even though a deficit of more than six and three-quarter billion dollars is uncomfortably large, we should keep in mind that it still amounts to barely more than half of the twelve and one-half billion dollar deficit we incurred in fiscal 1959—and the fiscal 1959 deficit, large as it was, did not lead to inflationary price rises. The 1959 deficit was, however, accompanied by monetary tightening to a degree that no one wishes to see recur. I am confident that both inflationary price rises and a recurrence of the 1959 type of monetary stringency can be avoided this time. This is mainly because today we have substantial unused capacity, both in our plants and in our labor force—capacity that can easily absorb the increases in demand.

Wholesale prices are showing no tendency to rise. Indeed, the Bureau of Labor Statistics' general index of wholesale prices has fallen from 120 in February to 118½ earlier this month. This is a better record than in previous recoveries. And it has occurred even though the fiscal stimulation of the prospective budgetary deficit is now largely behind us. For, from mid-December on, Government revenues should roughly equal expenditures.

None of this means that inflationary pressures can be blithely disregarded. Such pressures, even when dormant, must always be kept in mind and zealously guarded against. It does mean, however, that with the President's decision to present a balanced budget for fiscal 1963, the danger now lies far more in cost-push or wage-price pressures than in the Federal budget.

My third point is to underscore the massive effect on our budget of the increased national security expenditures required to match the heightened Soviet challenges—challenges that could endanger the very existence of our nation. I emphasize this because I have of late frequently heard it alleged that our deficit is due, not to national security spending, but to enlarged expenditures for civilian welfare. It is true, of course, that civilian expenditures have been enlarged. However, the additional appropriations which President Kennedy has had to request to meet urgent defense needs have amounted to six billion dollars. We must also remember that a substantial portion of the civilian increases were directly tied in with human suffering brought on by the recession. I have in mind such items as extended payments to those of our unemployed who had used up their normal benefits, and aid for the dependent children of unemployed families.

Now, a word about the economic outlook for 1962, which will, of course, determine our budgetary revenues for fiscal 1963:

Healthy Business Outlook

Thanks to the basic strength of our private economy—supported by the vigorous actions of the Federal Government—the '60-'61 recession proved to be mild and short-lived. The gross national product, at an annual rate, was five hundred twenty-six billion dollars in the third quarter of this year, compared to five hundred one billion dollars in the first quarter. And we can look forward to a level of close to five hundred forty billion dollars in the current quarter. This upward trend should continue at a relatively rapid pace during the first half of 1962, and at a somewhat more modest rate thereafter.

The strong advance of the economy should bring unemployment under six percent sometime this Winter. By the late Spring of 1962, we can expect it to drop to around five percent, and can hope for still further improvement next Fall.

Corporate profits have also shown strong gains, reaching an annual rate of forty-five billion two hundred million dollars in the second quarter of this year—a sharp rise from the first quarter low of thirty-nine billion six hundred million dollars. And advance indications show that this trend is continuing.

By contrast with these sharp increases, the cost of living index has advanced only about one percent over the past year—and this has been due almost entirely to the increased cost of services, with commodity and other prices showing remarkable stability.

In short, the business outlook is healthy, and durable goods, steel, and automobile production present excellent indications for the year ahead.

But what about the possibility of inflation which could easily rob us of the benefits of these advances?

Basically, as all of you know, there are two kinds of inflation, which can occur separately or in combination: the classic type, in which excess demand and short supply drive prices up, and the wage-price spiral, in which prices and wages chase each other ever higher. As I pointed out earlier, the current deficit is not creating inflationary danger of the classic type. But we must be particularly wary at this time of the second type of inflation: The wage-price spiral.

Danger of Wage-Price Inflation

Wage increases in excess of productivity gains — when met through price rises — present a real danger to our continued economic growth. So do unnecessary price increases. Either can cause

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us to price ourselves out of world markets, with truly catastrophic results for all of us here at home. This fact was clearly in the minds of the central bankers and finance ministers with whom I talked last month in Vienna at the meetings of the International Bank and Fund. While none of them thought that our current budgetary situation signalled a danger of inflationary developments in the United States, they invariably—and unanimously—expressed deep concern over whether we could hold our price levels in the face of the steady pressures for wage-price inflation.

It is my fervent hope—and that of the President—that both industry and labor will keep the national interest uppermost in their minds. The automobile makers who are maintaining their price levels, as well as the steel industry, which appears to be relying upon a rise in its production rate to cover a recent wage increase, are both making important contributions to our national well-being.

This is a very critical time—a time to forego unnecessary wage or price increases and, by so doing, to perform a very real public service. The outlook for our economy is good. We are entering a period of promising growth, which will provide benefits for all segments of our nation—for labor, for management, and for the consumer. But excessive increases in prices or wages could endanger, or even destroy, those benefits. We can realize them, but only through strong effort and self-restraint on the part of the private as well as public sector of the economy.

In recent months we have seen the will and the capability of this nation challenged—in the jungles of South East Asia—in the city of Berlin—and in the dark dominion of outer space. More tests lie ahead, and our economic strength will play a major role in determining our capacity to respond. The Federal Government is fully aware of its responsibility to maintain and to increase that strength. We intend to build it by actively promoting a growing economy, while avoiding the waste of national resources that comes from excessive spending. In this way, Government and private initiative, working together, can assure an ever stronger nation in the critical months and years that lie ahead.

*An address by Secretary Dillion at the 87th Annual Convention of the American Bankers Association, San Francisco, Calif., Oct. 17, 1961.

Form Hudson Securities

Hudson Securities, Inc. has been formed with offices at 415 West 23rd Street, New York City, to engage in a securities business.

Mason-Hagan Opens Brch.

WILLIAMSBURG, Va. — Mason-Hagan, Inc. has opened a branch office at 1433 Richmond Road under the management of Dr. Murray Loring.

Dean Witter Office

GLENDALE, Calif.—Dean Witter & Co. has opened a branch office at 519 North Brand Boulevard under the direction of Robert Van Deventer.

Horizon Management

Horizon Management Corporation is conducting a securities business from offices at 80 Pine Street, New York City.

George, O'Neill Branch

BOSTON, Mass.—George, O'Neill & Co., Inc., has opened a branch office at 80 Federal Street, under the management of Laurence S. Mitchell.

Increasing U. S. Ownership Of Patents Decried by Galvin

Extemporaneous address by head of Motorola, Inc., decries Federal Government's new policy of claiming that it owns any invention that accrues from space-directed contracts. Adding to this deplorable situation, the electronics manufacturer notes, is the attempt to extend the same policy to all defense contracts. The consequences of such a policy are held to be not only ruinous to creativeness but, also, contrary to our form of government and concept of property.

The electronics industry has the capability to do more in advancing man's progress the next 20 years than in all or prior history, Robert W. Galvin, Motorola President, told members of The American Banker's Association Convention held at San Francisco, October 17. This capability, he said, is gravely threatened by the Federal Government's increasing ownership of patents, which "strikes a vital blow at the root strengths of industry and endangers the constitutionally guaranteed rights of private property."

Robert W. Galvin

Mr. Galvin, speaking extemporaneously, told the bankers that their stake, as industry's partners, was enormous. He urged them to take positive action which would help halt the "sinister threat."

"The first breakthrough permitting government ownership of patents came with atomic research," Galvin said. "There may have been unique justification because of the lethal weapon that resulted. The justification should have ended there."

Recently, however, the National Aeronautics and Space Administration stipulated that the Federal Government should own inventions resulting from work on NASA projects, Galvin said.

Attempt to Include Defense

This same public policy now threatens to expand over all work on defense contracts, with legislation introduced in the last Congress, Galvin said.

"It's not consistent, legal, practical, or in the public interest for the government to own exclusively the inventions of private institutions," Galvin said.

"The Constitution never contemplated that government would enter any business, let alone the business of acquiring and selling patent rights," he said. "On the contrary, the Constitution vests in Congress the power to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings or discoveries.

"The objective of defense procurement is to assure know-how that can quickly be translated into equipment for our armed forces, not to make way for government to enter business in competition with private enterprise.

"On the one hand, there is nothing inherent in the private ownership of patents that in any way reduces our ability to accomplish our defense and space objectives. On the other hand, there is a predictable destructive consequence to industry if public or government ownership of patents is permitted.

"A time when the creation of a single idea may strike the balance of power in the world is not the time to dull or stifle the incentive to invent.

"Without rewards no company would strive so hard to motivate patentable works. No individual would strive so hard to ideate.

"If the government forced the patent ownership policy on the electronics industry, it would strangle the private companies. This involves ownership of the very basis of our industrial economy.

Ideas Count More

"If you were to take away all of Motorola's factories, all of our inventory, and leave me with ten men of ideas, we could rebuild our corporation in a few short years. But if you leave me all of our physical assets and take away our ideas, you virtually leave nothing.

"The alleged justification for government ownership of patents attained via defense contracts work is that the public is paying for the work. Does it then follow that the government should take over the patent of the builder who invents a new way of lifting stone while building a Federal courthouse? Does it follow that the government should usurp the patent of a conveyor manufacturer who invents a new handling mechanism while under contract on a postoffice installation?

"The government should have no more claim than that Motorola should own the patent on a component that a supplier develops as he attempts under contract to satisfy one of our tighter specifications.

"There is no reason to be concerned about possible concentration of patents in big corporations. Everyone in the electronics industry—large or small—is in the defense-space business. Many small companies exist for the very reason that they enjoy patent protection privately on a great idea.

"In our nation's quest to defeat Communism, no one should embrace one of Communism's basic ideas, the abolition of private property. It is shameful that in our zeal to preserve our form of society, we should be considering a law that would kill it. What an easy and unnecessary victory for Communism."

Williams Joins Pace Staff

The appointment of Henry J. Williams, Treasurer of the Tenney Corporation, as a member of the Business Administration Advisory Board of Pace College, New York City, has been announced by Dr. Edward J. Mortola, President of the college.

Before joining the Tenney Corporation, a national publicly-owned real estate firm, in 1960, Mr. Williams served as Assistant Controller of M. Lowenstein & Sons, Inc. and its affilitates, including Pacific Mills and Wamsutta Mills.

One of the original founders of the Tax Executive Institute, he is active in this organization, and holds membership as well in the National Association of Cost Accountants and the American Management Association.

Now Raymond Associates

SARASOTA, Fla.—The firm name of Edward L. Raymond & Associates, Inc., 7934 North Tamiami Trail, has been changed to Raymond & Associates, Inc.

W. S. Langdon Opens

PORT WASHINGTON, N. Y.—William S. Langdon, Jr. is conducting a securities business from offices at 1 Jeanette Drive.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Cleveland Electric Illuminating Company

Cleveland Electric Illuminating serves a population of about 1,930,000 in Cleveland and adjacent areas along the south side of Lake Erie. About 3% of revenues are derived from sale of steam, mainly for heating. The area is highly industrialized, Cleveland being the center of one of the nation's major industrial areas; the company derives 45% of electric revenues from industrial customers as compared with the U. S. average of 28%.

Major industries in the service area are iron and steel, trucks, automobile parts, machinery, chemicals, paints, petroleum refining, etc. The area is also a research center for the aircraft, chemical and petroleum industries and for illuminating engineers. Among the facilities completed or nearing completion in 1960 were those of the Lubrizol Corporation, Thompson Ramo-Wooldridge, Inc., Warner & Swasey Company and Diamond Alkali Company.

The St. Lawrence Seaway, excellent Lake Erie ports, an unlimited water supply, a good transportation network, and adequate tracks of land for industrial development, are factors explaining the industrial growth and potential of the area. In 1960, despite the letdown in industrial activity, some $214 million was expended for industrial expansion in the area, more than in any year since 1955.

Cleveland's steel production and capacity have been increasing at a more rapid rate than that of the rest of the nation. Cleveland Electric should benefit from increased utilization of the oxygen process for steel-making which requires twice as much electricity as the open-hearth furnace method. Jones & Laughlin Steel is opening a new $17 million plant in the company's service area. Cleveland is undertaking an urban redevelopment program, and the city is first in the nation in per capita Title I Housing expenditures. Cleveland Electric is encouraging industrial growth and has bought several land sites for industrial plant development.

The company has generating capability of about 2,021,000 kw, compared with the 1960 peak load of 1,494,000 kw, indicating reserve capacity of 35%. Coal is the major fuel, most of it being obtained from western Pennsylvania. Twenty per cent comes from a pipeline, 40% by rail, 40% by truck. The coal content of the pipeline slurry is to be increased to 60% from the present 50% which is expected to effect a further reduction in cost. Most rate schedules have fuel adjustment clauses.

No additions to generating capacity were made last year or this year, but a 250,000 kw unit is scheduled for installation in 1962. By 1963 the company expects to have a 345,000-volt connection with Ohio Power Company, and a research project is under way for an underground cable. Construction expenditures during 1960-65 are estimated as follows:

1960	$24 Million
1961	35 "
1962	30 "
1963	25 "
1964	30 "
1965	40 "

The company expects to generate about $30 million in cash per annum internally. No external financing will be required for about two years, it is indicated, and the next public offering will be debt. The equity ratio, which has been maintained at a high level historically, is currently around 49% compared with the industry average of about 37%.

Ohio utilities enjoy the benefit of a very liberal state law which provides that their properties are to be evaluated for rate purposes on the basis of reconstruction cost less depreciation. However, the utilities do not take full advantage of this provision. Cleveland Electric is currently earning about 6.1% on net plant account, this percentage having ranged between 5.7 and 6.9% during the past decade. Regulation of rates in the state is somewhat cumbersome and slow, rates being negotiated directly with municipalities subject to appeal to the Ohio Commission and later if necessary to the state courts. In November 1958, the Cleveland City Council approved a compromise rate increase which gave the company an additional $5,890,000 in revenues over a two-year period. A 2½% increase became effective on Feb. 15, 1959, and 2% one year later.

The question of "flow through" accounting for tax savings resulting from the use of accelerated depreciation is currently an issue in the state of Ohio. The Commission has ordered Cincinnati Gas & Electric (in connection with a rate increase) to use flow through, but this has been appealed to the Supreme Court of Ohio, with a decision expected early next year. If Cincinnati is ordered to use flow through, Cleveland will probably also be required to use the same accounting after its next contact with the Commission. In 1960 these savings amounted to $1,911,000 equivalent to about 28 cents a share. This amount would have increased earnings per share from $2.97 to $3.25 in 1960, if flow through had been used in that year.

The company's earnings in the first half of 1961 were affected by the cyclical downturn in the business of many of the company's industrial customers (steel, metal and auto companies). Earnings for the 12 months ended June 30, were $2.89 a decrease of 7% from those of the previous 12 months, but improvement is indicated for the second half of 1961.

During the period 1955-60 Cleveland's earnings per share showed an average annual gain of 3.6%, which is typical of the results of Ohio utilities generally (with the exception of the 6.5% gain for Columbus & Southern Ohio Electric).

At the recent price around 69 (approximate range this year 69-54) the stock yields 2.9% based on the $2 dividend. It is selling at nearly 24 times recent earnings, or 21.6 times if flow through accounting had been used during the 12 months ended June 30. The stock has been strong recently possibly as the result of the talks given by Chairman Lindseth and Vice-President Brooks before the New York Society of Security Analysts on Oct. 11

New Gorey Branch

MONTEREY, Calif. — Walter C. Gorey Co. has opened a branch office at 555 Abrego Street under the management of Cyrus B. Johnson.

Int'l Secs. Branch

ONTARIO, Calif. — International Securities Corporation has opened a branch office at 533 North Laurel under the management of Jack E. Glassford.

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you and I together can't handle." During my service as Vice-President this past year, I have often felt that perhaps the Lord had dissolved the partnership.

Our custom of permitting one to gain knowledge and maturity in the position of Vice-President is indeed a sound one, for the duties of the Presidency are demanding, complex and wide in scope. In an effort to prepare myself adequately, I have traveled over 70,000 miles and addressed 15 state associations, many national bank organizations, and numerous local groups. In the process, I have gained a better understanding of our industry and have benefited greatly from the advice and counsel of those people who direct the affairs of the institutions which make up our dual banking system. The confidence which I have always had in our banks and bankers has been strengthened, and I am indeed proud to be associated with such a group.

It has been my particular privilege this past year to assist and work closely with our President, Carl Bimson. I value most highly both his leadership and his friendship.

For the efficient and loyal services of our Association staff I am also genuinely grateful. I look forward to their continued support, under the direction of Dr. Charles Walker, our dynamic Executive Vice-President.

Living in a Day of Change

Perhaps as never before in history, we are living in a day of change when new ideas, new products, and new threats to our survival press in upon us with electronic rapidity. It is ironical that a portion of mankind which enjoys the high privileges of freedom and has achieved such a high state of civilization should now be threatened with destruction by atheistic and ruthless nations which are the antithesis of the ideas and ideals that have made us great. The challenge is formidable, but I am convinced that communism can be no match for free people, provided we marshal our resources in such a way as to maximize our strength, and have the willingness to discipline ourselves to the requirements of a sound economy and stable dollar. Then we can set for ourselves new goals and build our defenses to the point where no adversary would dare to challenge us.

That we be strong and exert the firm leadership to which we are destined is the fervent hope and prayer of the free peoples of the world. As one travels about today, as I was privileged to do recently in attending the World Bank meeting in Vienna—one of the farthest outposts of freedom—it is sobering to witness the extent to which other nations are depending upon us.

In this world of 1961, only the strong can guarantee freedom for themselves and for others who believe in freedom's cause. We Americans were not born to be inferior; but we must realize that if we are to continue great, we must be able to rise above mediocrity and discipline ourselves to the requirements of greatness.

Banking also is faced with many problems and, at the same time, many opportunities. We are expected to supply the capital which is required by a growing and complex economy. We must prepare ourselves to handle efficiently a rapidly increasing number of check transactions by making an orderly transition to automation. We must constantly strive to upgrade our employees and formulate sensible plans for management succession. We must diligently pursue our efforts not to be excluded from the savings field because of discriminatory practices and legislation. We must see that American industry and labor meet external trade competition by working more efficiently to produce goods and services at a price which people of all countries are willing and able to pay. We must strive at the grass roots to correct the structural impediments that mitigate against the providing of jobs for all who are willing to work. We must guard against inflation as we would the plague and assert the high prestige of our profession against policies which have within them the seeds of inflation.

Oliver Wendell Holmes once said, "The great thing in this world is not as much where we are but in what direction we are moving." We in banking cannot rest on our laurels or reflect too long on the accomplishments of the past, but we must keep pace with the future and exert the strong leadership which is so desperately needed today. I am resolved to do my utmost to furnish the type leadership which you have every right to expect of me; and with your help, I am confident that many of our problems can be resolved and that our industry will go forward with assurance to new and higher plateaus.

Resolutions Adopted

Adopted at the Second General Session of the 87th Annual Convention of The American Bankers Association, Oct. 18, 1961.

Monetary Policy

During the recent recession the Federal Reserve System properly pursued a policy of providing our banking system with ample reserves. This policy has continued during the initial business recovery phase as credit demands have remained moderate. Unemployment has remained at a high level: there has been substantial unutilized productive capacity; and inflationary forces have been quiescent. Federal Reserve policy also has successfully taken into account the problem of the level of short-term rates in relation to our balance of payments.

Monetary policy must play a prominent role in efforts to achieve sustainable economic growth and price stability. In view of the economic recovery in progress, a substantial budget deficit, and a delicate international payments position, we must not hesitate to utilize monetary policy in the direction of restraint when the need for such action arises. The need for restrictive monetary policy in the past has been enhanced by our failure to achieve significant budget surpluses in periods of high-level business activity; the need for restrictive monetary policy in the future can be reduced only to the extent that we do achieve larger budget surpluses in periods of active business.

An effective monetary policy, particularly in periods when the need for restraint is indicated, cannot be achieved unless the independence of the Federal Reserve System within the Federal Government is maintained. We support the maintenance of the regional character of the Federal Reserve System which brings into the decision-making process the wisdom and support of capable people in business, financial, academic and other fields throughout the Nation.

Fiscal Policy

The present budget outlook is not encouraging. Last year's deficit of $3.9 billion and this year's deficit of almost $7 billion, as currently estimated, plus the deficit in the Trust Funds, are far larger than earlier projections. Loss of revenue as a result of the recession is only a partial explanation. Increased spending for nondefense purposes, as well as for defense, has been a major factor.

Fiscal discipline requires constant restraint of the spending demands made upon the Federal Government. Our resources are not unlimited. We must defer many desirable, but not essential, public projects which we cannot reasonably afford at this time when our defense responsibilities are so heavy. Priorities are required.

A balanced budget in fiscal 1963 is not enough. As a minimum, the budget shoud be balanced over a business cycle, and this means that significant budget surpluses must be achieved in prosperous years. Government officials expect next year to be a record year; it should be, therefore, a year of significant budget surplus.

We are increasingly disturbed by the emerging pattern of large deficits that have been followed by occasional small surpluses. Deficits come easy in a recession; in fact, the problem is to keep the deficits within manageable proportions. Unfortunately, adequate budget surpluses do not develop in periods of prosperity as the result of the continuous pressure for more government spending.

Budgetary policy cannot be disassociated from our balance-of-payments problems and the related question of international confidence in the dollar. The international financial community has become increasingly sensitive to budgetary developments in this country, and our failure to submit to the fiscal discipline imposed by our international financial position could pose a serious threat to confidence in the dollar and to the viability of the international financial system.

Debt Management Policy

The Treasury has continued to manage the public debt prudently during the past year. Flexibility in debt management has been enhanced both through broader use of Treasury bills and through use of the cash refunding technique. Heavy reliance has been placed on the advance refunding of Treasury issues. This has helped the Treasury to achieve a slight lengthening of its debt within minimum impact on the market.

Looking ahead, the problem of financing a large deficit and refinancing very heavy maturities will seriously compound the ever-present problem of the shortening of the debt due to the passage of time. The Treasury must take advantage of every opportunity to place the debt in longer maturities and thus to minimize the constant threat of a growing short-term debt.

Balance of Payments

The United States continues to face a serious and stubborn balance of payments problem. The recent improvements have reflected temporary and nonrecurring factors; an unusually large volume of exports; a relatively low level of imports, as a result of the recent recession; and large prepayments on their obligations by foreign countries. Rising business activity here at home will mean larger imports and, in fact, the net export surplus has decreased, irregularly in recent months. Foreign military outlays are increasing. The United States continues to run a chronic deficit in its balance of payments position, not only when domestic business is contracting, as was the case last year, but also when, as today, the trend in the American economy is upward.

In the early postwar years, the deficit in the American balance of payments situation contributed to a more equitable distribution of the free world's monetary gold stock and assisted the European countries in rebuilding their monetary reserves. The situation today, however, is very different. Continuation of the United States balance of payments deficit would further add to the liquidity of the monetary system of the free world and thus increase the inflationary potential in important industrial countries. Furthermore, the resulant drain upon the United States gold stock and the increase in our liabilities to foreigners inevitably would expose the dollar to the prospect of increasingly troublesome crises in confidence. No country can run continuing large deficits of payments without being denuded of its monetary reserves.

Elimination of the chronic deficit in the American balance of payments requires further and more effective action along several specific fronts. Promotion and encouragement of American exports, on which efforts are currently being devoted, must be accompanied by the reduction of trade barriers by the major industrial countries. Actions of regional associations of countries that result in increased tariffs or restrictive trade practices are clearly adverse to the interests of the United States.

Our foreign military and economic aid expenditures play an important role in our over-all balance of payments problem. If the industrialized nations of the free world are to continue programs for military and economic assistance to the underdeveloped areas on the scale of recent years, it is obvious that the share of such expenditures borne by the United States must be reduced.

In addition to taking direct steps to redress our international accounts, we must finally and conclusively recognize, in practices as well as in words, the need to shape our domestic economic policies to the realities of our international position. In the light of current and prospective economic

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conditions the achievement of a budget surplus in fiscal 1963 is imperative. The steady rise in our prices must be arrested, and wage increases must be related realistically to the average rate of rise in productivity in the American economy.

The world economic environment has changed dramatically in the past few years. American products are facing keen competition; the dollar no longer stands as the pre-eminent international currency; funds now move freely among the world's financial markets. We have no alternative, in these circumstances, other than to shape our policies and practices to this new world environment.

International Monetary Fund

The Treasury and the officials of the IMF are to be commended on their efforts to find more acceptable ways to minimize pressures that result from large movements of short-term funds among world financial markets. Proposals have been advanced to increase the resources available to the International Monetary Fund for this purpose. Careful and arduous negotiations will be required to reconcile differing positions and to reach agreement on details, but the reasonable prospects are that a workable agreement will be developed in the months ahead.

Action along this line would be a very useful precautionary measure. A major contribution of the proposed IMF arrangement is that it would give to a country whose currency is under pressure additional time in which to make necessary adjustments in its balance of payments position. However, the proposal would not relieve any country, including the United States, of the need to avoid chronic deficits in its balance of payments.

Savings Bonds

The present crisis of the free world makes even more necessary and meaningful support of the U. S. Savings Bonds Program by the commercial banks. This Program directly contributes to sound debt management.

It is, therefore, fitting that The American Bankers Association renew its endorsement of the Savings Bonds Program and encourage bankers everywhere to give it continued leadership and support.

Taxation of Financial Institutions

Uniform tax treatment for financial institutions is a goal of increasing importance to the government if it is to obtain needed tax revenues on an equitable basis. It is of real significance, also, to taxpayers who deplore the existence of tax favoritism, and to our economic system generally if it is to operate in the most efficient manner. We commend the Treasury Department for its timely and incisive report of July 1961 to the Committee on Ways and Means of the House of Representatives, in which the issues and facts are set forth clearly and objectively. Equitable taxation of financial institutions will not have an adverse effect upon the cost and availability of mortgage credit.

We commend further the officers of our Association, its committees, other bankers' committees and individual bankers for their efforts on behalf of uniform tax treatment, and for the progress which was made during the first session of the 87th Congress in the consideration of such legislation. We reaffirm the declared policy of the Association in seeking the elimination of existing inequities in the taxation of financial institutions. We stress the responsibility of all members of the Association, in working in their own communities to assist and support their officers and committees in the achievement of this objective.

Withholding on Dividends And Interest

We recognize the responsibility of all citizens to pay the income taxes due by them to the Federal Government, and to report taxable dividends and interest on their Federal income tax returns. The Association has cooperated and will continue to cooperate fully in programs designed to inform all depositors and stockholders of their obligation and responsibilities as taxpayers with respect to dividend and interest receipts. Progress already has been made in decreasing the amount of unreported taxable income from these sources and producing additional revenue for the Federal Government.

A practicable and workable withholding system has not yet been devised. The proposals so far advanced would contribute to confusion and irritation on the part of taxpayers; would impose unreasonable hardship and inequity upon charitable, educational and other tax-exempt organizations; would be unduly burdensome and costly to banks and other payers of dividends and interest; and would confront the Treasury with a costly system of refunds to literally millions of taxpayers — all of which would greatly reduce the net yield to the Treasury. The American Bankers Association pledges its continued support of efforts designed to determine whether a workable and efficient withholding system can be developed.

The need for a withholding system on dividends and interest may be reduced or obviated by the rapid progress now being made by the Treasury in the automatic data processing of tax returns. This program should enable the Treasury readily to ascertain any unreported taxable income without resort to a cumbersome and costly withholding system.

Emergency Preparedness Program

The American Bankers Association has given its full cooperation to the Administration in the development of an Emergency Preparedness Program for the banking system of this country and has furnished all of its member banks with information as to the methods of carrying out this program.

In the light of the present world situation it is of the utmost importance that all banks take steps to implement this program promptly.

Appreciation

We extend to Carl A. Bimson our thanks and sincere appreciation for his leadership and devotion to the affairs of our Association and to the interests of banking. We also thank the other officers and the members who have served on Divisions, Sections and Committees for their loyal and effective work. We appreciate the hospitality shown by the San Francisco banks.

We express appreciation and gratitude to Ray M. Gidney for his long years of public service. He has devoted his life to the cause of sound banking and finance in positions of responsibility in the Federal Reserve System and as Comptroller of the Currency.

1962 Legislative Goals of State Bank Supervisors Outlined to A.B.A. State Bank Division By Myers

The National Association of Supervisors of State Banks "will press for action next year" on bills pending in the Congress to disqualify the Comptroller of the Currency from membership on the Federal Deposit Insurance Corporation Board and to give the F.D.I.C. Board final power to approve new branches of both state and national banks.

This was disclosed by Robert L. Myers, Jr., former association first vice president and president since Oct. 12, in an address to the annual meeting of the State Bank Division of The American Bankers Association at Civic Auditorium.

"Our association and many bankers deem the presence of the Comptroller on the Board of the Federal Deposit Insurance Corporation to be a threat to the dual (banking) system and inconsistent with good sense and sound governmental organization," Mr. Myers said" "Strong support for this legislation has developed among the governors of the states, in both Houses of Congress, and among the bankers of the nation. We regret that the American Bankers Association does not approve it."

Mr. Myers, who is Secretary of Banking, Commonwealth of Pennsylvania, Harrisburg, said that giving the F.D.I.C. power to approve branches of both state and national banks would place the two systems on equal footing and assure the uniform application of federal standards for the establishment of branches. "The enactment of this legislation would contribute substantially to the orderly development and expansion of the entire banking system," he added. At present, the establishment of branches must be approved by the Comptroller of the Currency in the case of national banks and by the F.D.I.C. and the state banking supervisor in the case of state banks.

The N.A.S.S.B. now counts the state bank supervisors of all 50 states and of Puerto Rico and the Virgin Islands as members and 2,796 state banks as associate members, Mr. Myers stated. Action in 1957 admitting associate members and establishing a Washington office, he said, has not resulted in the transfer of power within the Association to associate members or in any usurpation of the powers and functions of the officers and committees.

"On the contrary, the cohesiveness of the Supervisors as a group and the extent of their individual interest and participation in the activities of the Association have increased substantially."

The concept of the dual banking system and its importance to our economic progress "is little understood outside of banking circles; and, I fear, far too many bankers are not sufficiently aware of the necessity for preserving it," Mr. Myers said.

"It comprehends two separate and distinct systems of banks, one chartered, regulated, and supervised by the states and other chartered, regulated, and supervised under federal law. It is the result of the American plan of the division of governmental responsibilities and powers between the states and the national government. . . . The proper functioning of the dual system is a source of strength to the American banking system. It restrains excessive use of the powers of regulation and control and stimulates correction of weaknesses in either system."

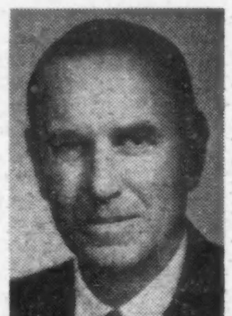
The State Bank Division meeting addressed by Mr. Myers was a feature of the 87th Annual Bankers Association Convention, Oct. 15-18.

Background of ABA's New Officers

SAM M. FLEMING

President, The American Bankers Association

Sam M. Fleming, President of the Third National Bank, Nashville, Tenn., was born in Franklin, Tenn., April 29, 1908, and is a graduate of Vanderbilt University, Class of 1928. He began his banking career that same year with the New York Trust Company, New York City. In 1931 he joined the Third National Bank, Nashville, Tennessee, as Manager of the credit department. He was elected President of the bank in 1950.



Sam M. Fleming

Mr. Fleming has held a series of committee and division posts in The American Bankers Association. He was President of the National Bank Division in 1956-1957. Previously, he served as Division Vice-President, Chairman and member of its Executive Committee, Chairman of the Research and Operations Committee, and member of the Real Estate Loans Committee. He is a member of the Centennial Commission (for the observance of the 100th anniversary of the national banking system). He served as Vice-President of the Association in 1960-61. He was elected President of the ABA at the 87th Annual Convention in San Francisco, Oct. 17, 1961.

He also has been active in the Tennessee Bankers Association, the Association of Reserve City Bankers, and Robert Morris Associates, of which he is a life member. A Director of the Association of Reserve City Bankers, 1957-60, he was Chairman of the Association's Federal Relationships Committee in 1959 and 1960.

Mr. Fleming is a Director of numerous corporations, including Louisville & Nashville Railroad Company and Bucyrus-Erie Company. He served a three-year term as Director of the Nashville Branch of the Federal Reserve Bank of Atlanta. He is a Past President of the Vanderbilt Alumni Association and a long-time trustee of the University; a trustee of Meharry Medical College and Battle Ground Academy, Franklin, Tenn., and of Ensworth School and Harpeth Hall School, Nashville.

He is very active in civic affairs, is Treasurer of the Tennessee Historical Society and a member of the Tennessee Civil War Centennial Commission.

He served three years as a naval officer in World War II, attaining the rank of Lieutenant Commander, and is an elder in the First Presbyterian Church.

His club memberships include Belle Meade Country Club, Nashville; Augusta National Golf Club, Augusta, Ga.; Linx and University Clubs of New York City.

Mr. Fleming married the former Josephine Cliffe of Franklin, Tennessee. They have a daughter and a son and reside in Nashville.

M. MONROE KIMBREL

Vice-President, The American Bankers Association

M. Monroe Kimbrel, Chairman of the Board, First National Bank, Thomson, Ga., was born in Miller County, Ga., Aug. 4, 1916. He is the holder of a B.S. degree in economics from the University of Georgia, and a graduate of The Stonier Graduate School of Banking, where his thesis was selected for library distribution.

M. Monroe Kimbrel

Mr. Kimbrel joined the staff of the Farm Credit Administration at Columbia, S. C., as a credit examiner in 1937. In 1946 he went to the First National Bank in Thomson, Ga., as Executive Vice-President; he became Chairman of the Board of the bank in January, 1961.

In The American Bankers Association, Mr. Kimbrel has been active for a decade. He was a member of several committees of the Agricultural Commission from 1950 to 1952, A.B.A. Vice-President for Georgia 1951-53, and regional Vice-President 1953-55. In 1955 he was appointed a member of the Association's Federal Legislative Committee; he served as Chairman of this Committee from 1957 to 1961. He was also a member of the State Legislative Committee from 1957 to 1961. He was elected Vice-President of the A.B.A. at the 87th Annual Convention in San Francisco, Oct. 17, 1961.

For the Georgia Bankers Association, Mr. Kimbrel was Chairman of Group 10 in 1949; Chairman of the Employees Education Committee, 1950-51; Chairman of the Agricultural Committee 1953-1954; Vice-President, 1955-56; and President, 1956-57.

Mr. Kimbrel is a Director of the Federal Reserve Bank of Atlanta and has been active in banking educational activities. He has served on the faculties of banking schools in nine states, and has been a trustee of the School of Banking of the South.

In addition to his responsibilities in banking, he is a Director of the Farmers National Insurance Co.; Vice-President of Usry Motor and Tractor, Inc., of Thomson; and has varied farming and real estate interests.

Civic interests include such responsibilities as Director, Georgia State Y.M.C.A.; Chairman, Thomson Housing Authority; Vice-President, Georgia-Carolina Council, Boy Scouts of America; Chairman, Tenth Georgia District, U. S. Savings Bonds; member, McDuffie County Board of Education; and member, advisory committee, Georgia Agricultural Extension Service. Mr. Kimbrel is a past President of the Thomson Rotary Club and a past District Governor of Rotary International.

In recognition of the services Mr. Kimbrel's bank has provided in Georgia, he was recipient of the honorary Georgia Planter degree by the Future Farmers of America and has been awarded an honorary membership in the Georgia Association of Future Homemakers of America. In 1955 the First National Bank received the Robert Strickland Agricultural Memorial Award for outstanding service to agriculture, and Mr. Kim-

brel is now Chairman of the College Scholarship Committee for that statewide group.

Mr. Kimbrel is married, has a son and a daughter, and makes his home at Thomson, Ga.

J. CARLISLE ROGERS
Treasurer, The American Bankers Association

J. Carlisle Rogers, President of The First National Bank of Leesburg, Florida, was born Oct. 16, 1903, in Marion, South Carolina. He graduated from the Leesburg High School in 1922 and entered the employ of The First National Bank of Leesburg later the same year. He became Assistant Cashier in 1925, Cashier in 1933, Vice President in 1944, a Director in 1949, and President in 1953.


J. Carlisle Rogers

Mr. Rogers has been active in the Florida Bankers Association, is a past Secretary of the organization, served as its President in 1950-51, was several times Chairman of the Agricultural Committee, Public Relations Committee, and Federal Legislative Committee. He serves presently on the Federal Legislative Committee.

He served a three-year term as Director of the Jacksonville Branch of the Federal Reserve Bank of Atlanta (1953-55).

In The American Bankers Association, he served in many capacities with the State Association Section, becoming its Vice President in 1945 and President in 1946. He was a member of the Small Business Credit Committee, 1950-53; Finance Committee, 1953-54; Federal Fiscal Procedures Committee, 1956-57; Agricultural Committee, 1958-61. He served three one-year terms on the Executive Council (1953-54, '57-58 and '60-61). He was elected Treasurer of the A.B.A. at a meeting of the Association's Executive Council held at the close of the A.B.A.'s 87th Annual Convention in San Francisco on Oct. 18, 1961.

Mr. Rogers has served as President of the Leesburg Chamber of Commerce and as a member of the Industrial Committee of the Florida State Chamber of Commerce; is President and one of the organizers of the Leesburg Industrial Development Corporation; is Director of the Home Owners Life Insurance Company and Trustee and member of the Executive Committee of Florida Southern College; is active in soil conservation and forestry; and is a rancher and citrus grower.

Mr. Rogers is married, has one son, and makes his home in Leesburg.

NEW DIVISION HEADS

Newly elected Presidents of the ABA Divisions and the State Association Section are as follows:

National Bank Division
President: Harold J. Marshall, President, National Bank of Westchester, White Plains, N. Y.

Savings Division
President: Roger L. Currant, President, Fall River National Bank, Fall River, Mass.

State Bank Division
President: Harry B. Freeman, President, Rhode Island Hospital Trust Company, Providence, R. I.

Trust Division
President: Thomas H. Beacon, Senior Vice-President, The First National Bank of Chicago, Chicago, Ill.

State Association Section
President: Howard J. Morris, Jr., Executive Vice-President, Alabama Bankers Association, Montgomery, Ala.

Convention Sites and Dates for 1962-1963

The American Bankers Association will convene in Atlantic City, N. J., in 1962 and in Washington, D. C., in 1963, it was announced by Sam M. Fleming, newly elected President of the Association. Mr. Fleming is President of the Third National Bank in Nashville, Tenn.

The 1962 Convention, with the New Jersey Bankers Association as hosts will be held Sept. 23-26. The A.B.A. has met in Atlantic City on ten previous occasions, most recently in 1957.

Hotel applications will be sent to members early in 1962. No applications will be accepted by the Convention hotels directly. Official reservation forms will be used and will be handled by the Convention Hotel Committee.

Mr. Fleming said that bankers in Washington will be making plans for the 1963 Convention at which they will serve as hosts. The dates will be Oct. 6-9. The Convention in the nation's capital will serve to climax the observance of the 100th anniversary of the dual system of banking which came into being with the enactment of the National Bank Act in 1863.

Guy's Foods Stock Sale

Public offering of 97,000 common shares of Guy's Foods, Inc., at $10 per share is being made by Allen & Co., New York City and associates. Proceeds will be used by the company to purchase existing plant and warehouse facilities, repay bank loans, buy additional equipment, increase inventories and open two new plants.

The company of 2215 Harrison, Kansas City, Mo., manufactures or processes potato chips, nuts and Cheez Stix and it sells other food items such pretzels, popcorn, pickles, ketchup, relishes and spices. Its sales territory consists of Kansas, Mo. and portions of Oklahoma, Arkansas, Iowa and Nebraska.

Lum's Inc. Class A Sold

An offering of 100,000 class A common shares of Lum's, Inc., at $1 per share is being made by Bayes, Rose & Co., Inc., New York City. Proceeds will be used by the company for expansion, leasehold improvements, advertising and working capital.

The company of 2302 Collins Ave., Miami Beach, Fla., operates a chain of specialty restaurants in Miami Beach. Authorized stock consists of 600,000 class A and 186,300 class B common shares, of which 120,700 and 186,300 will be outstanding upon completion of this financing.

Gould to Be V.-P. Of Donaldson Firm

George Dana Gould on Nov. 2 will become a vice president of Donaldson, Lufkin & Jenrette, Inc., 80 Pine Street, New York City, members of the New York Stock Exchange.

Now American Capital

WASHINGTON, D. C.—The firm name of American Securities Company, 1413 K Street, Northwest has been changed to American Capital Corporation.

Pacific Coast Branch

LA JOLLA, Calif.—Pacific Coast Securities Company has opened a branch office at 7825 Ivanhoe Avenue under the direction of Stanley R. Stewart.

Head ABA Divisions and State Assn. Section

Harold J. Marshall is newly elected President of the *National Bank Division;* Roger L. Currant, President of *Savings Division;* Harry B. Freeman, President of *State Bank Division;* Thomas H. Beacom, President of *Trust Division;* and Howard J. Morris, Jr., is President of the *State Association Section.*


Harold J. Marshall


Roger L. Currant


Harry B. Freeman


Thomas H. Beacom


Howard J. Morris Jr.

Amerford Int'l. Stock All Sold

V. S. Wickett & Co., Inc., and Thomas, Williams & Lee, Inc., both of New York City report that their recent offering of 75,000 common shares of Amerford International Corp., at $3.50 per share, has been all sold. Proceeds will be used by the company for opening new offices, sales promotion and advertising, additional equipment and working capital.

The company of 27 Spruce St., New York City, is an international air and ocean freight forwarder, handling shipments from the U. S. to foreign destinations. Its services include cargo pickup, preparation of waybills and other export documents, placing of insurance and routing of shipments. The company also prepares documents for presentation to banks for collection through letters of credit and sight drafts.

Int. Flavors And Fragrances Stock Offered

The first public sale of shares of International Flavors & Fragrances, Inc., is being made with the offering of 514,432 shares of the company's common stock by an underwriting group headed by Smith, Barney & Co., Inc. The stock is priced at $24 per share.

The sale of the shares does not involve company financing. Of the total 105,000 shares are being sold by two stockholders and 409,432 shares by the company to retire an approximately equivalent number of shares held by a Dutch investment company.

The company of 521 W. 57th St., New York City, is a leading manufacturer of flavor and fragrance products used by other manufacturers in a wide variety of consumer products. Fragrance products, which accounted for approximately 65% of the company's 1960 sales, are used principally in the manufacture of perfumes, toiletries, cosmetics, soaps and detergents. The company's customers include most of the major U. S. cosmetics and soap manufacturers. Flavor products are sold mainly to manufacturers of soft drinks, candies, gelatin desserts, cake mixes, dietary foods, ice cream, pharmaceuticals and tobacco.

Principal manufacturing facilities are located in the United States, Holland, France and England. Other manufacturing plants are located in Switzerland, West Germany and Brazil.

Madison Management

MADISON, Wis. — Madison Management Corp. is conducting a securities business from offices at 5209 Fairway Drive. Harry Friedman is a principal.

Klobiko Associates

JAMAICA, N. Y.—Klobiko Associates is engaging in a securities business from offices at 90-04—161st Street. Partners are David L. Koegel, Emanuel Birnbaum and H. Stuart Klopper.

Stan-Bee Co. Formed

WASHINGTON, D. C.—Stan-Bee and Company has been formed with offices at 1319 F St., Northwest to engage in a securities business. Stanley Blaustein is a principal of the firm.

Silver In the Limelight

Continued from page 3

prospect. Presently, it runs away with the ball.

Speculation Rampant

Shares of stock of Canadian silver mines—the Dominion's output of 33.7 million fine ounces was in 1960 a close second to Mexico's—have skyrocketed in the last 12 months or so. United Keno Hill, the number one producer (50% controlled by Ventures), doubled on the Toronto Exchange; Agnico jumped from 48 cents to $1.05, Sisco Mines are up from 79 cents to $2.[1] The stimulus is increased by the recent 6% devaluation of the Canadian dollar, from 3% above to that much below parity. But a sound silver mining operation should not need an extra stimulus if the silver price goes up appreciably. United Keno, e.g., with an output of 7.2 million tons of ore last year and 35 ounces of silver per ton, has a long "leverage" on the rising market for its product. What is more, the higher price permits the exploitation of lower-grade ores and the development of fresh ore bodies. But the question is, whether the stock market did not discount already the increase of net profits that can be expected—after taxes and after such wage boosts as are most likely to be forthcoming.

Not quite so intense as the speculation in silver stocks, is the activity on the London market in silver itself, lively as it is. In Toronto, banking institutions have developed special contracts in silver futures for the speculatively inclined public. The buyer puts up $5,000 in U. S. funds and acquires—at the current London price— a claim on 100,000 ounces without time limitation. He pays no commission, but (in advance) 5% on the borrowed money, plus an annual $175 for storage (in London). All of which sounds interesting. However, before rushing in, a few possible pitfalls should be considered.

For Americans, speculating in silver is fraught with hazards. The price has to rise about 6% within a year in order that the buyer should break even. Also, a special levy (originally aimed at Father Coughlin) is on the statute book: 50% of any profit you make on silver speculation goes to the government. The balance of the profits is liable to capital gains tax. And bear in mind that Uncle Sam, in his infinite wisdom, may clamp down on silver ownership at home and abroad, as he did on the ownership of gold. When in serious international payment troubles, governments of the socialistic color are liable to resort to desperate measures, rather than to restrain their own inflationary propensities.

As to shares of stock, they have risen so briskly that much of the "cream" is off—depending on the extent to which the price of the metal may rise. The market assumes that it may reach $1.10 or so. Possibly, a buying spree may drive it higher. But the law of supply and demand reigns supreme: the mere prospect of a high price provides a mighty incentive to expand the productive facilities. Such expansion is under way, in Canada especially, such as a new major mining operation of United Keno Hill in the Yukon wilds. In the same territory, Convest Exploration Co. is reported to have found ores with unusually rich silver content; up to 400 ounces per ton! Area Mines are claiming new silver mine discoveries in an undeveloped section around Lake Abitibi. Consolidated Mining and Smelting is exploring for silver in the Cobalt region of Ontario.[2]

The Longer Run Prospect

Within a year or two, a rising silver price may well be disciplined by an increasing output of the metal. And that is not all. There is a further unknown in silver's supply-demand equation. Vast quantities are being hoarded in Latin America and, especially, in southern and eastern Asia. The masses of India, Pakistan, and Burma, use silver coins and bracelets as their savings accounts. These private holdings, mentioned above, were estimated in 1948 at 5,400 million ounces!

What will these hoarders do at rising silver prices—buy more or liquidate some of their holdings? What about China? So far, it is known only that the Red Chinese Government sold 20 million ounces in 1960 and some 35 million in the first nine months of 1961.

And there remains a third question mark, as indicated above: action or no action on the part of the U. S. Government. It was standing by for a decade, mechanically selling its "free" silver holdings. Presently, the Treasury has realized that it has to choose among alternative policy lines and, according to newspaper reports, a "broad study" of the whole situation is under way.

[1] As a by-product of other metals, silver in significant quantities is being delivered by Consolidated Mining and Smelting, also by Cerro de Pasco, etc.

[2] Progress of exploration in Nova Scotia by half-a-dozen mining ventures is recorded in the *Northern Miner* (Toronto) of Sept. 21, 1961.

WORLD SILVER PRODUCTION (Partial)

(In Millions of Ounces)

From Handy & Harman

(Leading New York Bullion Merchants)

	1960	1959	1958	1957	1956
Mexico	44.0	44.1	47.6	47.1	43.1
United States	39.0	23.0	36.8	38.7	38.7
Canada	32.5	31.9	31.2	28.8	28.4
Peru	25.0	24.8	25.9	24.8	23.0
Bolivia	5.0	4.5	6.1	5.4	7.5
Other South and Central American Countries	7.0	6.9	7.2	6.9	7.1
Total Western Hemisphere	152.5	135.2	154.8	151.7	147.8
Outside the Western Hemisphere (partial)	50.0	48.8	50.9	46.3	45.2
World Production (partial)	202.5	184.0	205.7	198.0	193.0

WORLD SILVER CONSUMPTION (Partial)

(In Millions of Ounces)

Industrial Uses:	1960	1959	1958	1957	1956
United States	100.0	103.0	85.0	95.0	100.0
Canada	4.2	4.4	4.6	5.8	3.8
Mexico	4.0	5.4	4.4	3.9	3.9
United Kingdom	16.5	17.5	14.8	14.7	13.8
France	13.0	10.6	14.1	17.9	15.9
Western Germany	40.2	33.3	31.1	31.5	33.1
India	1.5	2.0	3.3	15.0	17.5
Japan	21.6	13.6	8.2	8.8	7.9
Other Countries (partial)	25.0	25.0	25.0	20.0	20.0
Total (partial)	226.0	214.8	190.5	212.6	215.9
Coinage:					
United States	46.0	40.6	38.2	52.0	31.2
Canada	7.5	5.7	4.7	3.8	3.2
Mexico	2.6	1.4	2.2	3.1	4.9
France	12.2	6.4	--	--	--
Other Countries (partial)	25.0	30.0	34.4	25.1	17.3
Total Coinage (partial)	93.3	84.2	79.5	84.0	56.6
Total Consumption (partial)	319.3	299.0	270.0	296.6	272.5

Beam-Matic Hospital Supply Stock All Sold

First Weber Securities Corp., New York City has announced that their offering of 100,000 common shares of Beam-Matic Hospital Supply, Inc., at $3 per share, was oversubscribed and the books closed. The offering marked the first public sale of the company's common stock.

Net proceeds from the financing will be used by the company for purchase of a new plant; relocation of present facilities; purchase of additional equipment; expansion of sales program; development of new products and working capital.

The company of 25-11 49th St., Long Island City, N. Y., manufactures, on an international basis, a specialized line of hospital equipment and supplies including overbed tables, service trays, folding screens, safety sides for hospital beds, and waste receptacles and folding furniture. The company's products are made principally of stainless steel and aluminum, and are sold to surgical and hospital supply dealers and laboratory equipment dealers.

Dynamic Gear Stock Offered

Initial public sale of common stock of Dynamic Gear Co., Inc., is being made through the offering of 125,000 shares at $3 per share by an underwriting group headed by Flomenhaft, Seidler & Co., Inc.

Of the shares being offered, 100,000 are being sold for the company and 25,000 for a selling stockholder, William A. Wiegand, President.

Net proceeds from the sale of its shares will be used by the company for the rebuilding and purchase of automatic gear-cutting machines; to prepay a short-term bank loan; for an inventory of stock gears in the company's recently opened plant in Van Nuys, Calif.; the establishment of a new plant and for working capital.

Headquartered in Amityville, Long Island, N. Y., the company manufactures precision instrument gears for industrial purposes, such as digital computers and in tape-control mechanisms for milling machines, lathes and jig-boring equipment and in gyros and other auto-pilot mechanisms, and for U. S. Government contractors, for use in varied types of electro-mechanical equipment. The bulk of the company's sales is based on orders from its catalog but it also produces gears custom-made to buyer's specifications.

Amonette Co. Formed

(Special to The Financial Chronicle)

ROSS, Calif.—Clarence O. Amonette, Jr. is engaging in a securities business from offices at 181 Shady Lane under the firm name of Amonette & Co. He was formerly with Brush, Slocumb & Co. and Mutual Fund Associates, Inc.

Need for Commercial Bank Unity Stressed at ABA Convention

The recent Convention of the American Bankers Association received a verbal challenge from its Executive Vice-President and Executive Manager, Dr. Charls E. Walker, to close ranks in order to achieve the objectives sought by the commercial banking industry. "The ABA," said Mr. Walker, "is the world's largest financial trade association, but we frankly must admit that in some ways is not the strongest.

Charls E. Walker

"Although our membership is in broad agreement as to over-all objectives," he added, "our unity of purpose and action is not always evident. An indispensable ingredient in the building of our strength, and in the creation of a true unity of purpose and action, is the maintenance of effective communications between the Association's officials and the membership. This is the primary reason I am reporting directly—an innovation which I should like to continue in the future. It is my hope that ABA members, in turn, will always be willing to express your frank views to Association officials. This is an open invitation— indeed, a request—for you to do so."

Mr. Walker also discussed the efforts of commercial banks to achieve some degree of tax equality *vis-a-vis* the savings and loan associations and mutual savings banks. On this matter, he spoke as follows:

"I turn now to the matter of tax justice among competing financial institutions. Under the able leadership of Joe Naughton's Committee for Uniform Tax Treatment, commercial bankers throughout the nation have joined together to promote tax uniformity. The staff has worked tirelessly, and there is considerable work in progress at the moment.

"A great deal already has been achieved, as manifested in the excellent Treasury report of last June, which gave strong support to the commercial bank case and led to the hearings before the House Ways and Means Committee in August. At these hearings the various commercial banker groups working for tax uniformity coordinated their testimony. Impartial observers agree that the Committee was strongly impressed by the commercial bankers' arguments. Since that time, however, the opponents of tax uniformity have embarked upon an aggressive publicity campaign, with the result that many Congressmen have been deluged with letters.

"Our cause is in the public interest, and I am confident that competing financial institutions will in time be required to assure their fair share of the tax burden In fact, the prospects are, in my judgment, extremely favorable for action in the forthcoming session of Congress, provided — and this is the vital condition — that the commercial banking industry mobilizes for an effective campaign of public education on the subject. Neither Joe Naughton's Committee nor the staff can do this; it is up to the individual commercial banker. All that the Naughton Committee and the staff can do is to provide guidance and material, and this we are now preparing to do. Shortly after the Convention, each ABA member bank will receive a complete Tax Justice Public Information Kit. The material in this kit has been prepared by the ABA staff after consultation with bankers, State association secretaries, and others; and I think that when you see the material you will agree that it will be especially effective in bringing our story home to the public.

"But here I must add another big 'provided'—*provided* that we make use of it. Here is where unity of purpose emerges as the key to a successful effort. I realize that some of our member commercial banks are reluctant to engage in a public information program of this type. In some instances the reasons may lie in concern over a possible loss of deposits; in other cases other reasons may predominate. But in this effort a clear demonstration of unity of purpose is essential. Thus I would hope that banks, both large and small, in every section of the country, would respond eagerly to the opportunity to work for legislation that is clearly in the public interest and that also would help to remove a tax bias which impedes fair competition. We are also counting on the active support of the State associations."

First Un. Realty Securities Sold

Initial public sale of shares of beneficial interest of First Union Realty is being made through the offering of 1,060,000 shares, at $12.50 each, by an underwriting group headed by Harriman Ripley & Co. Inc. and Hayden, Miller & Co.

Headquartered in Cleveland, Ohio, the company is an unincorporated business trust organized to provide investors with an opportunity to participate in investments in real estate in the United States. Net proceeds from the sale, plus the proceeds of a $13,500,000 mortgage loan, will be used to purchase the title fee to the Union Commerce Building, a 21-story bank and office building in downtown Cleveland, the trust's initial investment. The building will be leased back to the Union Commerce Bank.

The trust's investments will be directed primarily to the acquisition and holding of fee title to income-producing real estate. Special emphasis is to be given to properties which have a favorable geographic location from the standpoint of possible appreciation in value and which is subject to a net lease to a single tenant.

Under the provisions of a recent enactment by Congress, the trust is relieved of Federal income taxes on ordinary income and capital gains distributed to shareholders, provided certain qualifications imposed by the Act are met.

Lortogs, Inc. Stock Offered

Reich & Co., New York City and associates are offering publicly 200,000 common shares of Lortogs, Inc., at $6.50 per share. Proceeds will be used by the company to repay bank loans and finance increased inventories and accounts receivable.

The company of 85 Tenth Ave., N. Y., is engaged in the design, manufacture and sale of children's sportswear, principally for girls, which is marketed under the trade name "Lortogs, House of Botany". Such products include skirts, blouses, pants, jackets, suits, jumpers and bathing suits and retail at from $4 to $20 each, with the major portion being priced at around $8. The items are made for girls of from one to approximately seventeen years of age.

STATE OF TRADE AND INDUSTRY

Continued from page 5

year contract with the UAW. The strike, interrupting production Oct. 2-17, has taken an estimated 80,000-unit toll of Ford's planned October production. At St. Louis, the company this week also finally settled a local dispute dating from July 26, and which had halted '61 model assembly there. Workers at that site began returning to their jobs Thursday, and will now spend about two weeks completing the plant's buildout of "old" model cars.

Due to the company-wide strike, Ford Motor Co. has moved the introduction date of its new intermediate Fairlane car up to mid-November from the Nov. 2 date originally set for its public debut.

American Motors Corp. at Kenosha, Wis. will finish out a five-day schedule after a parts shortage cancelled out Saturday overtime. Studebaker-Packard Corp. continued its five-day program at South Bend, Ind.

While Chrysler Corp. huddled with the UAW in sub-committee new contract negotiations, company plants in four states continued uninterrupted production.

Of the week's output, General Motors accounted for 56.8%; Ford Motor Co. 21.2%; Chrysler Corp. 13.8%; American Motors 6.3%; and Studebaker-Packard 1.9%.

Business Failures Climb Highest In 11 Weeks

Commercial and industrial failures swung up to 398 in the week ended Oct. 19, from 341 in the preceding week, reports Dun & Bradstreet, Inc. At the highest level in 11 weeks, casualties were up steeply from the 270 occurring in the comparable week last year and the 250 in 1959. Business mortality continued some 44% above the prewar level of 277 in 1939.

Failures with liabilities topping $100,000 edged up to 42 from 35 a week ago and exceeded appreciably the 32 of this size in the similar week of 1960. An increase also occurred among casualties with losses under $100,000, which rose to 356 from 306 in the previous week, and outnumbered by a wide margin the 238 in this size group last year.

The toll among retailers climbed to 217 from 174, among manufacturers to 54 from 43, and among wholesalers rose mildly to 45 from 39. On the other hand, construction casualties dipped to 52 from 57 and there was little change in commercial service, at 29 as against 28 in the prior week. More businesses succumbed than a year ago in all industry and trade groups except service, with the sharpest upturn from 1960 in retailing.

Six of the nine major geographic regions reported increases in failures during the week. The toll in the Middle Atlantic states moved up to 107 from 91, in the South Atlantic to 68 from 51, in the Pacific to 85 from 69, while East North Central casualties edged to 65 from 63. The only exceptions to the general trend were the West North Central, West South Central, and East South Central Regions where tolls held steady or dipped. More concerns failed than last year in all areas except the South Central states. In fact, casualties ran twice as heavy as in the similar week of 1960 in the South Atlantic, East North Central and Mountain Regions.

Canadian failures rose appreciably to 50 from 38 in the preceding week and 36 in the corresponding week last year.

Electric Output 6.8% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Oct. 21, was estimated at 15,162,000,000 kwh., according to the Edison Electric Institute. Output was 37,000,000 kwh. above that of the previous week's total of 15,125,000,000 kwh. and 971,000,000 kwh., or 6.8% above that of the comparable 1960 week.

Lumber Shipments Were 5.2% Above Same Week in 1960

Lumber production in the United States in the week ended Oct. 14, totaled 218,636,000 board feet compared with 219,482,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 223,972,000 board feet.

Compared with 1960 levels, output dropped 2.4%, shipments advanced 5.2%, and orders rose 4%.

Following are the figures in thousands of board feet for the weeks indicated:

	Oct. 14 1961	Oct. 7 1961	Oct. 15 1960
Production	218,636	219,482	223,972
Shipments	223,224	206,480	212,178
Orders	225,684	223,520	216,936

Freight Car Loadings for Week Ended Oct. 14, 1961 Increased 3/10 of 1% Above Preceding Week

Loading of revenue freight in the week ended Oct. 14, totaled 642,172 cars, the Association of American Railroads announced. This was an increase of 2,231 cars or three-tenths of one per cent above the preceding week.

The loadings represented a decrease of 11,105 cars or 1.7% below the corresponding week in 1960, but an increase of 62,762 cars or 10.8% above the corresponding week in 1959 (during the steel strike).

There were 13,088 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Oct. 7, 1961 (which were included in that week's over-all total). This was an increase of 1,223 cars or 10.3% above the corresponding week of 1960 and an increase of 4,145 cars or 46.3% above the 1959 week.

Cumulative piggyback loadings for the first 40 weeks of 1961 totaled 446,107 for an increase of 19,380 cars or 4.5% above the corresponding period of 1960 and 128,166 cars or 40.3% above the corresponding period in 1959. There 58 class I U. S. railroad systems originating this type traffic in the current week compared with 55 one year ago and 50 in the corresponding week in 1959.

Interstate Truck Tonnage for Week Ended Oct. 14 Was 4.7% Ahead of Same Week in 1960

Intercity truck tonnage in the week ended Oct. 14 was 4.7% ahead of the volume in the corresponding week of 1960, the American Trucking Associations, Inc. announced. Truck tonnage was 3.1% below the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Wholesale Commodity Price Index Continues Dip Although Above Year Ago

The general wholesale commodity price level continued to ease off for the second consecutive week, dipping to 274.14 on Oct. 23, reports Dun & Bradstreet, Inc. Despite this downturn, however, it remained considerably above comparable year-ago levels. Lower prices for lambs, hogs, coffee, butter, wool, tin, and steel scrap pushed the index below the prior week, although a number of commodities increased in price, particularly grains.

Standing at 274.14 (1930-32 =100) on Oct. 23, the Daily Wholesale Commodity Price Index was off mildly from 274.38 a week ago, but substantially higher than on the similar day last year when it was 264.49.

Wholesale Food Price Index Continues Down

Dipping for the second successive week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., inched down to the lowest level in 12 weeks and also continued below a year ago. On Oct. 25, the index was off 0.7% to $5.90 from $5.94 last week and down 1.8% from $6.01 in the similar week of 1960.

Lower prices were quoted at wholesale this week for hams, bellies, lard, cheese, cottonseed oil, beans, eggs, potatoes, currants, steers, hogs and lambs. Contrasting increases occurred in flour, wheat, corn, rye, oats, sugar, coffee and cocoa.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Consumer Buying Continues Moderate Rise for Week Ended Oct. 18

Retail purchases, both helped and hindered by abnormally warm weather in the week ended Oct. 18, continued to push moderately ahead of year-ago levels. Again, wide regional variations shaded the picture. Although consumer interest in home furnishings lagged during the week, there was a mild advance in sales of women's apparel, an even pace in men's wear, and a strong upsurge in autos.

The total dollar volume of retail trade in the week end Oct. 18 ranged from even to 4% higher than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1960 levels by the following percentages: Pacific —7 to —3; New England —4 to 0; West North Central and Mountain —3 to +1; East South Central —1 to +3; South Atlantic 0 to +4; Middle Atlantic and West South Central +1 to +5; East North Central +2 to +6.

Nationwide Department Store Sales Are Unchanged Over The 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index were unchanged for the week ended Oct. 14, 1961, compared with the like period last year. For the week ended Oct. 7, sales were 6% higher than last year. In the four-week period ended Oct. 14, 1961, sales advanced 4% over the corresponding period in 1960.

According to the Federal Reserve System department store sales in New York City for the week ended Oct. 14, were 1% lower than the same period last year. In the preceding week ended Oct. 7, sales were 5% higher than the same period last year. For the four weeks ending Oct. 14, a 2% increase was reported above the 1960 period while from Jan. to Oct. 14, a 1% increase over sales in the comparable period of 1960 was recorded.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Karl L. Sussman has become associated with Shearson, Hammill & Co., 9608 Santa Monica Boulevard. He was formerly with H. Hentz & Co.

"Good" Fourth Quarter Forecast

Purchasing agents surveyed on business conditions see good fourth quarter ahead based on encouraging inventory, new order and production figures. Despite "hair-line control," the purchasing survey group detected a "bottoming out" of inventory liquidation in September and a small bit of inventory accumulation.

Recovery from the 1960-1961 recession is now an accomplished fact; the "hoped for" better third quarter is a reality; and the anticipated "good" fourth quarter seems to be in the making. This observation is based on the September report of purchasing agents who comprise the National Association of Purchasing Agents' Business Survey Committee, whose Chairman is E. F. Andrews, Vice-President in Charge of Purchases, Allegheny Ludlum Steel Corporation, Pittsburgh, Pa.

New order and production figures are most encouraging this month. Last month our members told us that a "strong movement for the better was likely within the next 60 days." It would appear that this movement upward is under way and gathering momentum.

New orders set the pace, with a strong 58% reporting higher figures. Previous to this month, only three times in the last 10 years has such a large percentage so reported. (August 1955, September 1958, and April, 1961), and only twice in the same period has the jump upward been as sharp. A very low 6% report new orders down. This is the lowest number so reporting since April, 1955.

This month, 51% show higher production figures, the highest percentage so reporting since May, 1959, while only 10% show production at a lower level.

	Better	Same	Worse
New Orders:			
September	58	36	6
August	37	51	12
Production:			
September	51	39	10
August	49	38	13

The possibility of an automobile strike was noted as a cloud on the horizon last month. This has now passed without serious effect, and Purchasing Executives seem to be looking ahead to the steel negotiations in mid-1962 as the next serious threat to the economy. Meanwhile, labor cost increases, sagging profits, prices, lengthening lead times, government spending, and inflation seem to be uppermost in the buyer's mind.

Commodity Prices

Price levels in September showed a marked reaction to the quickening tempo of business activity. Members finding higher price tags in the market place climbed from 10% last month to 20% in September, the largest percentage so reporting since April, 1960. Those who say the prices they paid were largely unchanged still account for a substantial 74%, but this is down from last month's 83%, and only 6% say prices are lower. Indications are that the stability mentioned in our August report may now be weakening in the face of growing pressures.

Purchased Materials Inventories

The "bottoming out" of inventory liquidation noted last month seems to have occurred and a small degree of accumulation started. The "hair-line control" and "close to the belt" policy of Purchasing Executives mentioned in previous reports is still very much in evidence. A solid 59% report no change, up from 56% last month, while 18% report lower levels. Higher figures are reported by 23%, up only 1% above August.

Employment

Employment moves to higher ground again this month, extending the upward trend line noted since February. The 34% reporting higher employment levels is the largest number so reporting since the pre-steel strike months of 1959. No change in employment was reported by 56%, down from the 63% so reporting in August. Only 10% report lower employment. This "lag" indicator is behaving as expected and is an encouraging sign for the continued upward trend in general business.

Buying Policy

No dramatic change occurred in the buying policies of Purchasing Executives during September. Vendor lead times remained the controlling factor and respondents tell us these are under constant review, as are price developments and world tensions.

Our charts show a "saw-tooth" effect within a narrow range on a month-to-month basis; but, when the year-to-date is viewed as a whole, a gradual lengthening is discernible. While some expect this lengthening to become more pronounced during the next few months, reluctance to abandon conservative policies developed during the past recession is quite apparent.

	Per Cent Reporting				
	Hand to Mouth	30 Days	60 Days	90 Days	6 Mos. to 1 Yr.
September:					
Production Materials	8	35	38	15	4
MRO Supplies	26	43	24	5	2
Capital Expenditures	12	7	14	21	46
August:					
Production Materials	7	38	40	11	4
MRO Supplies	24	49	22	3	2
Capital Expenditures	13	3	17	20	47

Specific Commodity Changes

The reports of specific commodity changes this month reflect the over-all price picture previously described. Only one item was generally reported down, although the chemical market as a whole, continued weak.

There are no indications that any serious shortages have as yet developed.

On the up side are: Iron and steel castings, steel scrap, bearings, paper, burlap, and cotton.

On the down side are: Aniline.

In short supply: None.

Investment Bankers Association To Hold 50th Annual Convention

The 1961 Annual Convention of the Association will be held in Hollywood, Florida, beginning on Sunday, November 26, and ending on Friday, December 1. The Hollywood Beach Hotel and The Diplomat will be the convention hotels. The former will be the headquarters hotel and the business sessions will be held there.

In addition to the address by IBA President George A. Newton, Partner, G. H. Walker & Co., St. Louis, and the inaugural address by the incoming President, Curtis H. Bingham, President, Bingham, Walter & Hurry, Inc., Los Angeles, the delegates will also hear addresses by these guest speakers:

William L. Cary, Chairman, Securities and Exchange Commission, Washington;
Milton S. Eisenhower, President, Johns Hopkins University, Baltimore;
Herbert H. Lank, President, DuPont Co. of Canada, Ltd., Montreal;
John J. McCloy, Adviser to the President on Disarmament, Washington;
Thomas E. Stakem, Jr., Member, Federal Maritime Board, Washington.

Following custom, the first business session will be a Municipal Forum on Sunday afternoon, November 26. Open sessions for all delegates will be held each morning during the week. The various IBA National Committees will hold meetings and most of them will present reports to the delegates.

New officers will be installed Thursday morning, November 30, and the incoming Board of Governors will meet that afternoon.

Regular Ticket

The Board of Governors will submit to the convention the Regular Ticket for 1961-62, as follows:

FOR PRESIDENT

Curtis H. Bingham, *Bingham, Walter & Hurry, Inc.*, Los Angeles.

FOR VICE-PRESIDENTS

David J. Harris, *Bache & Co.*, Chicago
Thomas M. Johnson
The Johnson, Lane, Space Corporation, Savannah
William T. Kemble, *Estabrook & Co.*, Boston
James H. Lemon, *Johnston, Lemon & Co.*, Washington
Walter H. Steel, *Drexel & Co.*, New York

Attendance at the Convention

By action of the Board of Governors, the total number of persons (including wives) which any member organization may send to the convention will be limited as follows: Class A members, 5 persons; Class B members, 4 persons; Class C members, 3 persons; Class D members, 2 persons; Class E members, 2 persons —provided that Board Members, National Committee Chairmen, and Group Chairmen (both present and incoming in each case) and Past Presidents, and the wives of such persons, will be excluded from the limitations.

The above limitations are intended to apply to all persons in attendance at the convention, and not merely to those registered for the convention or having accommodations at the convention hotels. An exception will be made in cases where a member organization wishes to send its permitted number of persons for the first part of the convention and then replace some or all of them with a equal number of other persons for the last part. In such cases, the registration fees for the earlier persons will apply for the entire convention and no fees will be required for their replacements.

In addition, it should be noted that the Constitution and By-Laws of the Association provide that member organizations may send to the convention only persons occupying executive offices or positions.

Convention Registration Fee

The registration fee for the convention will be $50 per person. It will apply to each man and woman registered for the convention with the exception of the replacements noted above under "Attendance at the Convention," and with the exception of Past Presidents of the Association and their wives. Checks covering registration fees should be made payable to the Association and forwarded to its office in Washington with the form for convention registration and hotel reservations.

Hotel Arrangements

All reservations for rooms at the convention hotels should be made through the Association's office on the form for convention registration and hotel reservations.

A limited number of early arrivals can be accommodated beginning November 18, and a limited number of reservations can be continued for a few days following the convention. It will not be necessary for those concerned to make separate reservations for the pre-convention or post-convention period provided they indicate their arrival and departure plans on their reservation forms. It may, however, be necessary for them to change rooms at the opening or close of the convention.

Convention Transportation

NEW YORK SPECIAL TRAIN

The route of the train in both directions will be Pennsylvania Railroad between New York and Washington, R. F. & P. Railroad between Washington and Richmond, and Seaboard Air Line Railroad between Richmond and Hollywood. The schedules will be as follows:

Going Schedule

Lv. New York	*Saturday, Nov. 25*	10:45 a.m.
Lv. Newark	" " "	11.00 a.m.
Lv. North Phila.	" " "	12:15 p.m.
Lv. 30th St. Phila.	" " "	12:24 p.m.
Lv. Baltimore	" " "	1:56 p.m.
Lv. Washington	" " "	3:00 p.m.
Lv. Richmond	" " "	5:25 p.m.
Ar. Hollywood	*Sunday, Nov. 26*	11:05 a.m.

Return Schedule

Lv. Hollywood	*Friday, Dec. 1*	1:25 p.m.
Ar. Richmond	*Saturday, Dec. 2*	8:00 a.m.
Ar. Washington	" " "	10:25 a.m.
Ar. Baltimore	" " "	11:45 a.m.
Ar. 30th St., Phila.	" " "	1:20 p.m.
Ar. North Phila.	" " "	1:30 p.m.
Ar. Newark	" " "	2:45 p.m.
Ar. New York	" " "	3:00 p.m.

With the exception of the departure time from Hollywood, the times given in the above return schedule are approximate. If there are insufficient reservations for a return special train, special cars will be operated via the same route on a regular train leaving Hollywood at the same time, 1:25 p.m., and arriving in New York the following day at 3:00 p.m. Return service will also be available via the same route on a regular train leaving Hollywood at 9:25 a.m. and arriving in New York the following day at 10:20 a.m.

PULLMAN RESERVATIONS—Pullman reservations for the going trip should be made through the New York Transportation Committee, of which James F. Burns, III, Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y., is Chairman. One-way Pullman fares (including federal tax) to Hollywood are as follows:

	D. Room 2 Persons	Compt. 2 Persons	Bedroom 2 Persons	Bedroom 1 Person	Duplex 1 Person
New York	$68.31	$50.88	$47.19	$38.17	$32.73
Newark	68.31	50.88	47.19	38.17	32.73
Philadelphia	65.84	49.12	45.54	36.85	31.46
Baltimore	61.27	45.82	42.63	34.38	29.32
Washington	55.39	40.32	37.24	31.24	26.51
Richmond	49.61	36.19	33.28	27.94	23.54

Certifcates covering Pullman space will be issued in lieu of regulation Pullman tickets. Certificates will be mailed if applications are received promptly. Otherwise they may be picked up at the office of James F. Burns, III, prior to 5:00 p.m. on Friday, November 24. Refunds cannot be made on cancellations which are not made prior to date of departure.

Pullman reservations for the return trip of the special train should be made through D. A. Kornhoff, Passenger Sales Representative, The Pennsylvania Railroad, Room 401, Pennsylvania Station, New York 1, N. Y., at the earliest possible date in order that satisfactory arrangements may be completed. If this is not possible, or if plans change, they may be made through the railroad representatives who will be present at the Hollywood Beach Hotel during the convention.

RAILROAD TICKETS—*Railroad tickets should be purchased from local agents.* Those in charge of going Pullman reservations will not be able to supply them. Round-trip railroad fares (including federal tax) to Hollywood from points served by the special train are as follows:

New York	$129.61	Baltimore	$102.14
Newark	128.38	Washington	95.98
Philadelphia	116.11	Richmond	86.35

ST. LOUIS SPECIAL CARS

Special cars from St. Louis will be operated on the "City of Miami," the route of which is Illinois Central Railroad to Birmingham, Central of Georgia Railway to Albany, Atlantic Coast Line to Jacksonville, and Florida East Coast Railway to Hollywood. The schedule will be as follows:

Lv. St. Louis	*Friday, Nov. 24*	10:20 a.m.
Ar. Hollywood	*Saturday, Nov. 25*	5:00 p.m.

PULLMAN RESERVATIONS—Reservations should be made through Harry Theis, Stifel, Nicolaus & Company, 314 N. Broadway, St. Louis 2, Mo. One-way Pullman fares (including federal tax) from St. Louis to Hollywood are as follows:

	Double Room	Compartment	Bedroom
2 Persons	$62.26	$45.21	$41.75
1 Person	†50.44	‡36.96	35.31

†Plus $26.73 additional railroad fare. ‡Plus $12.33 additional railroad fare.

It is not planned to operate special cars for the return trip and Pullman reservations for that trip should be made through local ticket agents.

RAILROAD TICKETS—*Railroad tickets should be purchased from local agents.* The round-trip railroad fare (including federal tax) between St. Louis and Hollywood is $104.67.

HOTEL REGISTRATION — BAGGAGE

Representatives of the convention hotels will travel on the New York train and will furnish passengers with slips indicating their hotel room numbers. Holders of such slips should present them to the floor clerk on the proper floor of the Hollywood Beach Hotel, or at the front desk of The Diplomat, where they will be given their room keys without registering and may then proceed directly to their rooms. The hotel representatives will also furnish passengers with baggage tags filled out with their names and hotel room numbers, which should be attached to each piece of hand baggage. Then, upon arrival all such baggage will be transported from the station by truck and distributed promptly to the proper hotel rooms. Those arriving other than on the New York train should, of course, register at the front desk of their assigned hotel in the regular way.

AIR TRANSPORTATION

In view of the number of flights now available, it is believed that those wishing to fly to or from the convention can make their arrangements most satisfactorily through regular channels. Accordingly, no special flights have been arranged.

Dr. Zentz Joins I. B. A. Staff

WASHINGTON, D. C.—The Investment Bankers Association of America announces the appointment of Bill Zentz as Research Director in charge of its economic research and statistical activities. Dr. Zentz succeeds Dr. Frank E. Morris, who has left the Association to become Deputy Assistant to the Secretary (for Debt Management), U. S. Treasury. Prior to joing the IBA staff, Dr. Zentz was Professor of Finance and Chairman of the Finance Department at Southern Methodist University. He also was Associate Economist with the First National Bank in Dallis from 1958-1961.

Dr. William Zentz

Dr. Zentz was active in assisting the U. S. Bureau of Census, serving as Chairman of the Dallas Census Tract Committee. He is a member of the Dallas Chamber of Commerce and served on its Business and Economic Committee. He has served as consulting economist for several industries and is a member of the board of the following corporations: Unitex Industries, Inc.; A. R. A. Manufacturing Co.; and Southwestern Union Life Insurance Co.

As Research Director for the IBA, Dr. Zentz will continue the Association's economic research in various fields of finance and other areas related to the securities business. The statistical program on state and municipal bonds will be continued, and a similar program on corporate finance is under development.

Blair Williams to Admit

On Nov. 1 Thomas J. Gildea, member of the New York Stock Exchange, will become a partner in the Exchange member firm of Blair S. Williams & Co., 11 Wall Street, New York City.

J. B. Winmill to Admit

J. B. Winmill & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, on Nov. 2 will admit Mark C. Jones to limited partnership.

New Kemper Branch

FINDLAY, Ohio—John A. Kemper & Company has opened a branch office at 301 East Main Cross St. under the management of Robert D. Westfall.

N. C. Roberts Branch

LOS ANGELES, Calif. — N. C. Roberts & Co., Inc. has opened a branch office at 210 West Seventh Street under the management of Patrick N. MacIntyre. He was formerly with Fairman & Co.

New Sutro Office

FRESNO, Calif.—Sutro & Co. has opened an office at 2132 Tulare Street, under the management of Loren S. Smith.

Chicago Analysts to Hear

CHICAGO, Ill.—Frank A. Boettger of Cessna Aircraft Co. will be guest speaker at the luncheon meeting of the Cessna Aircraft Co. to be held Oct. 26 at the Midland Hotel.

Charles Andrews Opens

HOUSTON, Tex.—Charles E. Andrews is conducting a securities business from offices in the Medical Towers under the firm name of Charles Andrews & Associates.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	Oct. 21	70.0	71.0	72.5	53.2
Equivalent to—					
Steel ingots and castings (net tons)	Oct. 21	2,042,000	2,071,000	2,114,000	1,516,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Oct. 13	7,152,710	7,112,010	7,110,660	6,838,060
Crude runs to stills—daily average (bbls.)	Oct. 13	8,324,000	8,155,000	7,241,000	7,898,000
Gasoline output (bbls.)	Oct. 13	28,957,000	28,793,000	26,218,000	28,518,000
Kerosene output (bbls.)	Oct. 13	2,919,000	2,683,000	2,188,000	2,857,000
Distillate fuel oil output (bbls.)	Oct. 13	13,414,000	*13,409,000	11,931,000	11,863,000
Residual fuel oil output (bbls.)	Oct. 13	5,967,000	5,523,000	5,651,000	5,738,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Oct. 13	185,741,000	185,110,000	187,485,000	188,159,000
Kerosene (bbls.) at	Oct. 13	36,329,000	36,265,000	35,300,000	35,987,000
Distillate fuel oil (bbls.) at	Oct. 13	170,419,000	166,438,000	160,855,000	175,066,000
Residual fuel oil (bbls.) at	Oct. 13	49,982,000	50,080,000	49,430,000	51,427,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Oct. 14	642,172	639,941	594,338	653,277
Revenue freight received from connections (no. of cars)	Oct. 14	526,710	537,309	488,124	528,542
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Oct. 19	$612,500,000	$388,900,000	$399,500,000	$400,200,000
Private construction	Oct. 19	386,900,000	193,000,000	219,000,000	235,200,000
Public construction	Oct. 19	225,600,000	195,900,000	180,500,000	165,000,000
State and municipal	Oct. 19	200,400,000	168,500,000	149,000,000	135,000,000
Federal	Oct. 19	25,200,000	27,400,000	31,500,000	30,000,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Oct. 14	8,850,000	8,595,000	8,770,000	8,692,000
Pennsylvania anthracite (tons)	Oct. 14	N.A.	364,000	373,000	394,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Oct. 14	156	164	150	156
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Oct. 21	15,162,000	15,125,000	15,025,000	14,191,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Oct. 19	398	341	337	270
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Oct. 16	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Oct. 16	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	Oct. 16	$38.83	$39.17	$39.50	$29.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Oct. 18	30.600c	30.600c	30.600c	29.600c
Export refinery at	Oct. 18	28.125c	27.700c	28.325c	27.050c
Lead (New York) at	Oct. 18	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	Oct. 18	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	Oct. 18	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	Oct. 18	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	Oct. 18	24.000c	24.000c	26.000c	26.000c
Straits tin (New York) at	Oct. 18	120.375c	121.125c	121.375c	103.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Oct. 24	87.13	87.13	87.21	87.52
Average corporate	Oct. 24	85.85	85.85	85.46	86.78
Aaa	Oct. 24	89.92	89.92	89.51	91.48
Aa	Oct. 24	88.13	87.99	87.45	89.37
A	Oct. 24	84.94	84.94	84.68	86.38
Baa	Oct. 24	80.69	80.69	80.81	80.69
Railroad Group	Oct. 24	83.40	83.28	82.90	84.04
Public Utilities Group	Oct. 24	86.65	86.65	86.51	87.86
Industrials Group	Oct. 24	87.45	87.59	87.32	88.81
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Oct. 24	3.97	3.97	3.95	3.82
Average corporate	Oct. 24	4.72	4.72	4.75	4.65
Aaa	Oct. 24	4.42	4.42	4.45	4.31
Aa	Oct. 24	4.55	4.56	4.60	4.46
A	Oct. 24	4.79	4.79	4.81	4.68
Baa	Oct. 24	5.13	5.13	5.12	5.13
Railroad Group	Oct. 24	4.91	4.92	4.95	4.86
Public Utilities Group	Oct. 24	4.66	4.66	4.67	4.57
Industrials Group	Oct. 24	4.60	4.59	4.61	4.50
MOODY'S COMMODITY INDEX	Oct. 24	369.9	371.0	378.9	358.0
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Oct. 14	332,644	382,118	358,696	308,826
Production (tons)	Oct. 14	349,905	349,930	347,649	326,613
Percentage of activity	Oct. 14	98	97	98	94
Unfilled orders (tons) at end of period	Oct. 14	580,881	598,031	563,859	437,157
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Oct. 20	113.80	113.79	113.74	110.00
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Sept. 29	2,740,230	2,482,070	2,238,810	3,205,560
Short sales	Sept. 29	425,450	431,700	326,360	438,520
Other sales	Sept. 29	2,314,540	2,111,580	1,811,050	2,599,820
Total sales	Sept. 29	2,739,990	2,543,280	2,137,410	3,038,340
Other transactions initiated off the floor—					
Total purchases	Sept. 29	381,020	347,820	354,050	495,890
Short sales	Sept. 29	36,200	61,300	19,700	30,900
Other sales	Sept. 29	404,850	439,930	318,290	347,430
Total sales	Sept. 29	441,050	501,230	337,990	378,330
Other transactions initiated on the floor—					
Total purchases	Sept. 29	809,065	840,748	772,060	833,580
Short sales	Sept. 29	60,830	69,390	57,520	118,920
Other sales	Sept. 29	730,625	697,455	678,300	659,092
Total sales	Sept. 29	791,455	766,845	735,820	778,012
Total round-lot transactions for account of members—					
Total purchases	Sept. 29	3,930,315	3,670,638	3,364,920	4,535,030
Short sales	Sept. 29	522,480	562,390	403,580	588,340
Other sales	Sept. 29	3,450,015	3,248,965	2,805,640	3,606,342
Total sales	Sept. 29	3,972,495	3,811,355	3,209,220	4,194,682
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Sept. 29	1,793,976	1,672,408	1,576,399	1,794,951
Dollar value	Sept. 29	$99,086,690	$92,576,924	$87,722,088	$82,904,315
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Sept. 29	1,631,571	1,607,540	1,633,482	1,614,894
Customers' short sales	Sept. 29	28,687	22,297	9,225	28,097
Customers' other sales	Sept. 29	1,602,884	1,585,243	1,624,257	1,586,797
Dollar value	Sept. 29	$85,605,766	$83,291,709	$81,378,616	$76,510,970
Round-lot sales by dealers—					
Number of shares—Total sales	Sept. 29	452,120	489,670	517,100	486,290
Short sales	Sept. 29	------	------	------	------
Other sales	Sept. 29	452,120	489,670	517,100	486,290
Round-lot purchases by dealers—Number of shares	Sept. 29	594,960	526,770	494,080	694,080
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Sept. 29	747,190	769,720	518,480	761,870
Other sales	Sept. 29	16,519,320	16,026,270	15,282,710	16,689,460
Total sales	Sept. 29	17,266,510	16,795,990	15,801,190	17,451,330
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Oct. 17	118.5	118.5	118.6	119.0
Farm products	Oct. 17	86.9	*87.4	87.8	87.7
Processed foods	Oct. 17	108.0	*107.9	107.6	108.2
Meats	Oct. 17	94.8	*95.5	93.6	95.1
All commodities other than farm and foods	Oct. 17	127.2	*127.1	127.2	127.6

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound. N.A. Not available.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of August	167,040	164,732	172,973
Stocks of aluminum (short tons) end of Aug.	259,202	256,857	211,716
AMERICAN RAILWAY CAR INSTITUTE— Month of September:			
Orders for new freight cars	3,143	1,474	2,156
New freight cars delivered	2,700	2,428	4,300
Backlog of cars on order and undelivered (end of month)	10,133	9,690	21,662
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of September (000's omitted)	$246,614,000	$255,536,000	$240,772,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of Sept. 30:			
Imports	$451,817,000	$429,244,000	$408,851,000
Exports	964,059,000	964,046,000	632,059,000
Domestic shipments	19,882,000	22,981,000	15,205,000
Domestic warehouse credits	170,805,000	169,168,000	91,649,000
Dollar exchange	58,580,000	48,789,000	122,810,000
Based on goods stored and shipped between foreign countries	756,962,000	765,474,000	397,789,000
Total	$2,422,105,000	$2,399,702,000	$1,668,363,000
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of September:			
Manufacturing number	182	260	213
Wholesale number	167	164	116
Retail number	614	789	604
Construction number	183	262	218
Commercial service number	139	129	113
Total number	1,285	1,604	1,269
Manufatcuring liabilities	$66,737,000	$26,175,000	$23,011,000
Wholesale liabilities	11,002,000	13,060,000	7,381,000
Retail liabilities	17,927,000	29,384,000	23,080,000
Construction liabilities	10,048,000	27,716,000	14,417,000
Commercial service liabilities	10,950,000	6,358,000	12,715,000
Total liabilities	$116,664,000	$102,693,000	$80,604,000
CONSUMER PRICE INDEX — 1947-49=100— Month of August:			
All items	128.0	128.1	126.6
Food	121.2	122.0	120.1
Food at home	118.2	119.0	117.4
Cereal and bakery products	139.6	139.4	137.7
Meats, poultry and fish	108.4	107.8	111.3
Dairy products	118.5	118.0	116.6
Fruits and vegetables	132.4	138.2	127.3
Other food at home	107.6	107.9	106.5
Food away from home (Jan., 1953=100)	121.5	121.6	119.1
Housing	132.3	132.4	131.5
Rent	143.6	143.6	141.9
Gas and electricity	125.6	125.6	124.9
Solid fuels and fuel oil	136.9	135.9	133.4
Housefurnishings	103.2	103.6	103.5
Household operation	138.8	139.1	137.6
Apparel	109.9	109.9	109.3
Men's and boys'	111.1	111.5	110.5
Women's and girls'	100.2	100.0	99.7
Footwear	141.2	141.0	139.9
Other apparel	92.9	92.9	92.1
Transportation	149.3	148.3	146.2
Private	136.8	135.9	134.4
Public	209.1	208.5	200.7
Medical care	161.4	161.2	156.7
Personal care	134.2	134.3	133.8
Reading and recreation	124.4	124.1	121.8
Other goods and services	133.6	133.6	132.4
COPPER INSTITUTE—For month of September:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	110,186	*95,570	106,653
Refined (tons of 2,000 pounds)	126,023	*145,861	147,934
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	126,744	121,484	120,585
Refined copper stocks at end of period (tons of 2,000 pounds)	77,813	95,177	84,316
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales of ultimate consumers—Month of August (000's omitted)	59,542,827	59,436,337	58,309,734
Revenue from ultimate customers—Month of August	$11,855,238	$11,008,534	$11,192,307
Number of ultimate customers at Aug. 31	59,542,827	59,436,337	58,309,734
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of September:			
Weekly earnings—			
All manufacturing	$92.66	$93.83	$91.03
Durable goods	98.75	*101.00	98.15
Nondurable goods	84.96	*84.77	81.72
Hours—			
All manufacturing	39.6	40.1	39.6
Durable goods	39.5	*40.4	39.9
Nondurable goods	39.7	*39.8	39.1
Hourly earnings—			
All manufacturing	$2.34	$2.34	$2.30
Durable goods	2.50	*2.50	2.46
Nondurable goods	2.14	2.13	2.09
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49=100—Month of Sept.:			
Seasonally adjusted	112	113	107
Unadjusted	113	111	103
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of August:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	9,002,114	8,495,992	7,824,458
Production	9,202,823	7,835,558	8,061,325
Inventory	20,681,491	20,525,421	22,325,991
Tractor Implement Tires (Number of)—			
Shipments	248,418	261,056	235,223
Production	268,778	240,948	241,527
Inventory	937,731	909,260	931,776
Passenger, Motorcycle, Truck & Bus Inner-Tubes (Number of)—			
Shipments	3,191,778	3,045,758	3,117,475
Production	3,210,734	2,732,551	2,957,786
Inventory	8,699,767	8,640,666	10,384,997
Tread Rubber (Camelback)—			
Shipments (pounds)	42,137,000	38,395,000	40,330,000
Production (pounds)	43,984,000	40,511,000	42,006,000
Inventory (pounds)	19,249,000	17,899,000	26,847,000
Truck and Bus Tires (Number of)—			
Shipments	1,266,792	1,101,793	1,116,766
Production	1,142,208	1,045,397	1,085,341
Inventory	3,445,136	3,573,008	3,971,602
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of September:			
Net sales	------	------	------
Net purchases	$25,114,650	$17,319,500	$3,432,300

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE — Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

ABC Cellophane Corp.
Sept. 7, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—A converter of packaging material, producing polyethylene and cellophane bags and sheets. **Proceeds** — For a new plant and equipment and working capital. **Office**—1368-72 Utica Ave., Brooklyn. **Underwriter**—Havener Securities Corp., N. Y.

A. & E. Plastik Pak Co., Inc.
Aug. 1, 1961 ("Reg. A") 40,000 common shares (no par). **Price** — $7.50. **Proceeds** — For equipment and working capital. **Office**—652 Mateo Street, Los Angeles. **Underwriters**—Blalack & Co., Inc., San Marino, Calif.; Harbison & Henderson, Los Angeles; May & Co., Portland, Ore., and Wheeler & Cruttenden, Inc., Los Angeles. **Offering**—Imminent.

★ A. & M. Instrument, Inc.
Oct. 19, 1961 filed 150,000 common. **Price**—By amendment. **Business**—Manufacture of instrument testing and measuring devices for the electronic and electrical industries. **Proceeds**—For debt repayment and general corporate purposes. **Office**—48-01 31st Ave., Long Island City, N. Y. **Underwriter**—A. J. Frederick Co., Inc., N. Y. **Underwriter**—Allen & Co., N. Y.

AMT Corp. (11/6-10)
Sept. 11, 1961 filed 230,000 common, of which 160,000 are to be offered by the company and 70,000 by a stockholder. **Price**—By amendment. **Business**—The manufacturer of scale model plastic automobiles distributed in kit form. **Proceeds**—For equipment, repayment of loans, and working capital. **Office**—1225 E. Maple Rd., Troy, Mich. **Underwriter**—A. G. Becker & Co., Chicago (mgr.).

Abbey Rents
Sept. 25, 1961 filed 200,000 capital shares, of which 100,000 will be sold by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—Rental and sale of party, sickroom and hospital equipment. **Proceeds**—Expansion, inventory and working capital. **Underwriter**—William R. Staats & Co., Los Angeles.

Abby Vending Manufacturing Corp.
July 26, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The manufacture of coin operated vending machines. **Proceeds**—For moving expenses, an acquisition and working capital. **Office**—79 Clifton Place, Brooklyn, N. Y. **Underwriter** — L. H. Wright & Co., Inc., N. Y. **Offering**—Imminent.

● Ace Trophies Corp. (11/13-17)
Sept. 18, 1961 filed 200,000 common. **Price**—$1. **Business**—The design, manufacture and sale of trophies, plaques and cups for sporting events. **Proceeds** — For production expenses, printing, promotion, inventory and working capital. **Office**—1510 Broadway, Brooklyn, N. Y. **Underwriter**—Ezra Kureen Co., N. Y.

Aceto Chemical Co., Inc.
Sept. 27, 1961 filed 88,000 common. **Price**—$5. **Business**—Purchase and sale of chemicals and by-products. **Proceeds**—For expansion, sales promotion, and working capital. **Office**—40-40 Lawrence St., Flushing, N. Y. **Underwriter**—Karen Securities Corp., N. Y.

● Acratex Chemical Coatings, Inc.
Aug. 8, 1961 ("Reg. A") 99,900 common. **Price**—$3. **Business**—The manufacture of a wallcovering product. **Proceeds** — For expansion and general corporate purposes. **Office**—Easton St., Ronkonkoma, N. Y. **Underwriter**—Tyche Securities Inc., N. Y. **Note**—This letter will be refiled.

Acro Electronic Products Co. (11/15)
July 17, 1961 filed 100,000 class A common shares. **Price**—$4. **Business**—The manufacture of transformers for electronic and electrical equipment. **Proceeds**—For relocating to and equipping a new plant, purchase of inventory, research and development, advertising, promotion and merchandising, repayment of debt and other corporate purposes. **Office**—369 Shurs Lane, Philadelphia. **Underwriter**—Roth & Co., Inc., Philadelphia.

A-Drive Auto Leasing System, Inc.
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, N. Y. C. (mgr.)

Adrian Steel Co.
Sept. 11, 1961 ("Reg. A") 100,000 common. **Price**—$2.50. **Business**—Steel fabricating and warehousing. **Proceeds**—To establish a new industrial air conditioner division. **Office**—Adrian, Mich. **Underwriter**—Morrison & Frumin, Inc., Detroit.

● Advanced Electronics Corp. (10/30-11/3)
May 31, 1961 ("Reg. A") 150,000 class A shares (par 10 cents). **Price**—$2. **Business**—Designs and manufactures radio telemetry systems, frequency filters and power supplies for the missile, rocket and space programs. **Proceeds**—For research and development, equipment, repayment of loans and working capital. **Office**—2 Commercial St., Hicksville, N. Y. **Underwriter** — Edward Hindley & Co., and Hardy & Hardy, N. Y. C.

● Aero-Dynamics Corp. (11/13-17)
Aug. 7, 1961 filed 100,000 common shares. **Price**—$5. **Business** — The importation and distribution of Italian marble and mosaic tiles. **Proceeds** — For the purchase and installation of new moulds, machinery and equipment, research and general corporate purposes. **Office**—250 Goffle Road, Hawthorne, N. J. **Underwriters**—Cambridge Securities, Inc. and Edward Lewis Co., Inc., N. Y.

Aero Fidelity Acceptance Corp.
July 11, 1961 ("Reg. A") 95,000 common. **Price**—$3. **Proceeds**—For repayment of loans, purchase of notes and equipment. **Office**—185 Walton Ave., N. W., Atlanta, Ga. **Underwriters**—T. Michael McDarby & Co., Inc., and J. Morris Anderson & Associates, Inc., both of Washington, D. C. **Offering**—Imminent.

Aero Space Electronics, Inc.
July 17, 1961 ("Reg. A") 80,000 capital shares. **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office** — 2036 Broadway, Santa Monica, Calif. **Underwriter**—Hamilton Waters & Co., Inc., Hempstead, N. Y.

Aerological Research, Inc.
Aug. 29, 1961 filed 100,000 common. **Price**—$3.50 **Business** — The manufacture of instruments for aerology, meterology, oceanography, geophysics and atmospheric phenomenon. **Proceeds**—For working capital. **Office**—420 Division St., Long Branch, N. J. **Underwriter**—A. D. Gilhart & Co., Inc., N. Y.

Aetna Maintenance Co.
Sept. 25, 1961 filed 154,000 common, of which 128,000 are to be offered by the company and 26,000 by stockholders. **Price**—By amendment. **Business**—Furnishing of cleaning and protection services for office buildings, plants, and military bases. **Proceeds**—To repay loans and increase working capital. **Office**—526 S. San Pedro St., Los Angeles. **Underwriter** — Schwabacher & Co., San Francisco.

● Agency Tile Industries, Inc. (11/20-24)
Sept. 6, 1961 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Importing, marketing and distributing ceramic tiles. **Proceeds**—Debt payment, new products, sales promotion and advertising, new office and warehouse and working capital. **Office**—522 W. 29th St., N. Y. **Underwriter**—International Services Corp., Paterson, N. J.

Air Master Corp. (11/6-10)
May 26, 1961 filed 200,000 shares of class A common stock, of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of aluminum storm windows and doors, and other aluminum products. **Proceeds**—For working capital, and other corporate purposes. **Office**—20th Street, and Allegheny Avenue, Philadelphia, Pa. **Underwriter**—Francis I. du Pont & Co., New York City (managing).

● Airtronics International Corp. of Florida (11/20-24)
July 29, 1961 filed 199,000 common, of which 110,000 are to be offered by the company and 89,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of electronic, mechanical and components. **Proceeds**—Repayment of loans, expansion and working capital. **Office**—6900 West Road 84, Fort Lauderdale, Fla. **Underwriters**—Stein Bros. & Boyce, Baltimore and Vickers, McPherson & Warwick, Inc., N. Y.

Albert Voigt Industries, Inc. (11/6-10)
Aug. 29, 1961 filed 80,000 common. **Price**—$4. **Business**—The manufacture of metal store fixtures, show cases and related items. **Proceeds**—For repayment of loans, working capital, a leasehold improvement and moving expenses. **Office**—14-20 Dunham Pl., Brooklyn, N. Y. **Underwriter**—David Barnes & Co., Inc., N. Y. C.

Al-Crete Corp.
Sept. 20, 1961 filed 127,000 class A common. **Price**—$3. **Business**—Development and manufacture of a new variety of building products. **Proceeds**—For construction of a new plant. **Office**—4800 Baltimore Ave., Hyattsville, Md. **Underwriter**—Whitehall Securities Corp., Pittsburgh.

All Service Life Insurance Co.
Sept. 18, 1961 ("Reg. A") 239,200 common. **Price**—$1.25. **Business**—Writing of life, accident, sickness and health insurance. **Office**—1729 N. Weber St., Colorado Springs, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

All Star World Wide, Inc. (11/13-17)
July 7, 1961 filed $250,000 of 5% convertible subordinated debentures due 1971 and 150,000 common shares. **Price**—For debentures, at par; for stock, $5. **Business**—Joint venture with Brunswick Corp. to establish and operate bowling centers in Europe. **Proceeds**—For expansion and general corporate purposes. **Office**—100 W. Tenth St., Wilmington, Del. **Underwriters**—Alessandrini & Co., Inc. and Hardy & Hardy, New York (managing).

All-State Auto Rental Corp.
Sept. 28, 1961 filed 50,000 common. **Price**—$4. **Business**—Leases motor vehicles. **Proceeds**—For working capital. **Office** — 31-04 Northern Blvd., Long Island City, N. Y. **Underwriter**—None.

Allen Organ Co.
Aug. 30, 1961 filed 140,000 class B (non-voting) common, of which 37,000 shares are to be offered by the company and 103,000 by the stockholders. **Price**—By amendment. **Business**—The manufacture of electronic organs. **Proceeds**—For repayment of a loan, redemption of outstanding preferred, working capital and expansion. **Address**—Macungie, Pa. **Underwriters**—Drexel & Co., Philadelphia, and Warren W. York & Co., Allentown, Pa. (mgrs.)

★ Allied Capital Corp.
Oct. 20, 1961 filed 213,427 common, of which 200,000 will be offered to the public and 13,427 to stockholders on a 1-for-10 basis. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—7720 Wisconsin Ave., Bethesda, Md. **Underwriter**—Allen & Co., N. Y.

Allo Precision Metals Engineering, Inc.
Oct. 3, 1961 ("Reg. A") 85,000 common. **Price**—$3. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—Congressional Airport, Rockville, Md. **Underwriter**—Davis & Leach, Inc., Washington, D. C.

Alpine Geophysical Associates, Inc. (11/13-17)
July 28, 1961 filed 150,000 common shares. **Price** — By amendment. **Business** — The conducting of marine and land geophysical surveys for petroleum and mining exploration and engineering projects, and the manufacture of oceanographic and geophysical apparatus. **Proceeds**—For repayment of debt and general corporate purposes. **Office**—55 Oak St., Norwood, N. J. **Underwriter**—S. D. Fuller & Co., New York (managing).

Alson Mfg. Co. (11/13-17)
Aug. 28, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Proceeds**—For equipment, repayment of loans and working capital. **Office**—2690 N. E. 191st St., Miami, Fla. **Underwriter**—Albion Securities Co., Inc., N. Y.

Aluma-Rail, Inc.
Sept. 28, 1961 ("Reg. A") 100,000 common. **Price**—$2.25. **Business**—Manufacture of new color anodized aluminum chain link fencing. **Proceeds**—For inventory and plant expansion. **Office**—44 Passaic Ave., Kearny, N. J. **Underwriter**—Herman & Diamond, N. Y.

★ Alyeska Ski Corp.
Oct. 12, 1961 ("Reg. A") 240,000 common. **Price**—$1.25. **Business** — Operation of ski facilities. **Proceeds** — For general corporate purposes. **Address**—P. O. Box 1882, Anchorage, Alaska. **Underwriter**—Paul Nichols Co., Inc., Anchorage, Alaska.

Amacorp Industrial Leasing Co., Inc.
Sept. 27, 1961 filed $3,000,000 of 6½% conv. subord. debentures due 1971. **Price**—By amendment. **Business**—Financing and lease of industrial and office equipment. **Proceeds**—Repay debt and increase working capital. **Office**—34 S. Stoneman Ave., Alhambra, Calif. **Underwriter**—McDonnell & Co., Inc., N. Y.

Amcap Investment Inc.
Oct. 2, 1961 filed 250,000 common. **Price**—$11.25. **Business**—A small business investment company. **Proceeds**—For investment. **Address**—Chicago. **Underwriter**—None.

Amcrete Corp.
May 4, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — The sale of pre-cast and pre-stressed concrete panels for swimming pools and pumps, filters, ladders, etc. **Proceeds**—For building test pools; advertising, inventory and working capital. **Office**—102 Mamaroneck Ave., Mamaroneck, N. Y. **Underwriter**—Vincent Associates, Ltd., 217 Broadway, N. Y.

Amerel Mining Co. Ltd.
July 31, 1961 filed 400,000 common shares. **Price**—50 cents. **Business**—The company is engaged in exploration, development and mining. **Proceeds**—For diamond drilling, construction, exploration and general corporate expenses. **Office**—80 Richmond St., W., Toronto. **Underwriter**—E. A. Manning, Ltd., Toronto.

American Auto Stores, Inc.
Sept. 28, 1961 ("Reg. A") 50,000 class A common. **Price**—$5. **Proceeds**—General corporate purposes. **Office**—3333 Locust St., St. Louis. **Underwriter**—Scherck, Richter Co., St. Louis.

● **American Automatic Vending Corp. (11/13-17)**
Aug. 15, 1961 filed 270,000 common. **Price**—By amendment. **Business**—Sale of merchandise through vending machines. **Proceeds**—Repayment of debt and other corporate purposse. **Office**—7501 Carnegie Ave., Cleveland, O. **Underwriter**—McDonald & Co., Cleveland.

★ **American Building Maintenance Industries**
Oct. 19, 1961 filed 141,000 capital shares, of which 30,000 shares are to be offered by the company and 111,000 shares by stockholders. **Price**—By amendment. **Business**—Providing of building maintenance services. **Proceeds**—For general corporate purposes. **Office**—335 Fell St., San Francisco. **Underwriters**—Carl M. Loeb, Rhoades & Co., N. Y. and Sutro & Co., San Francisco.

★ **American Cellubox Corp.**
Oct. 19, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Design, manufacture and sale of cellulose-acetate and other semi-rigid plastic type transparent containers. **Proceeds**—For debt repayment and general corporate purposes. **Office**—27-01 Bridge Plaza N., Long Island City, N. Y. **Underwriter**—Diran, Norman & Co., Inc., N. Y.

● **American Data Machines, Inc. (11/6-10)**
Aug. 17, 1961 filed 150,000 common. **Price**—$4.50. **Business**—Manufacture of data processing equipment. **Proceeds**—Repayment of loans, new products, advertising, working capital and general corporate purposes. **Office**—7 Commercial St., Hicksville, N. Y. **Underwriter**—Golkin, Bomback & Co., N. Y.

American Distilling Co.
Sept. 14, 1961 filed $9,551,900 of 4⅜% subord. debentures due Nov. 1, 1986 (convertible until 1971) being offered for subscription by common stockholders on the basis of $100 of debentures for each 10 shares held of record Oct. 17, with rights to expire Nov. 1. **Price** — At par. **Business**—Distilling and marketing of alcoholic beverages including bourbon, whiskies, vodkas and gins. **Proceeds**—For the prepayment of debt, and working capital. **Office**—150 E. 42nd St., N. Y. **Underwriter**—Blyth & Co., Inc., N. Y.

American Electronic Laboratories, Inc.
May 26, 1961 filed 10,632 shares of class A common stock to be offered for subscription by stockholders at the rate of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Business**—The company is engaged in research and development in the field of electronic communication equipment. **Proceeds**—For construction, new equipment, and other corporate purposes. **Office**—121 North Seventh Street, Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia, Pa. **Offering**—Imminent.

American Finance Co., Inc. (11/6-10)
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1971; 75,000 shares of common stock, and 25,000 common stock purchase warrants to be offered for public sale in units consisting of one $200 debenture, 30 common shares and 10 warrants. **Price**—$500 per unit. **Business**—The company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and capital funds. **Office** — 1472 Broadway, N. Y. **Underwriter**—Myron A. Lomasney & Co., N. Y.

American & Foreign Power Co., Inc.
Sept. 18, 1961 filed 240,000 common. **Price**—By amendment. **Proceeds** — For the selling stockholder, Electric Bond & Share Co. **Office**—100 Church Street, N. Y. **Underwriters**—Lazard Freres & Co., and First Boston Corp., New York.

American Micro Devices, Inc.
Aug. 2, 1961 filed 1,500,000 class A common shares. **Price** — $1.15. **Business**—The manufacture of electronic components. **Proceeds**—The purchase of equipment and materials, operational expenses, working capital and re-writer—Naftalin & Co., Inc., Minneapolis. **Offering**—Expected in late November.

American Realty & Petroleum Corp.
Sept. 28, 1961 filed $2,000,000 of 6½% conv. subord. debentures due 1971. **Price**—At par. **Business**—Real estate and also the oil and gas business. **Proceeds**—For repayment of debt, sales and advertising, property improvements and possible acquisitions. **Office**—16 W. 61st St., N. Y. **Underwriter**—Troster, Singer & Co., N. Y.

American Safety Equipment Corporation
Sept. 28, 1961 filed 80,000 common. **Price**—$10. **Business**—Manufacture of safety seat belts. **Proceeds**—Inventory, machinery, and research. **Office**—261 Madison Ave., N. Y. **Underwriter**—Charles Plohn & Co., N. Y.

American Sports Plan, Inc.
June 29, 1961 filed 200,000 common shares. **Price**—$6. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—473 Winter Street, Waltham, Mass. **Underwriter**—None.

American Technical Machinery Corp.
Aug. 29, 1961 filed 95,000 common, of which 65,000 are to be offered by the company and 30,000 by stockholders. **Price** — By amendment. **Business** — The manufacture of machinery for fabrication of twisted wire brushes. **Proceeds**—For equipment, repayment of loans and working capital. **Office**—29-31 Elm Ave., Mt. Vernon, N. Y. **Underwriter**—M. L. Lee & Co., Inc., N. Y. C. (mgr.).

American Variety Stores, Inc.
Aug. 30, 1961 filed 100,000 common. **Price**—$4.50. **Business**—The operation of retail discount variety stores. **Proceeds** — For repayment of loans, equipment, and working capital. **Office** — Cleveland at Passaic, Fort Myers, Fla. **Underwriter** — Netherlands Securities Co., Inc., N. Y. (mgr.).

Amity Corp.
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). **Price**—$3 per share. **Business**—Land development, including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. **Proceeds**—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. **Office**—Equitable Building, Baltimore, Md. **Underwriter**—Karen Securities Corp., New York City. **Note**—This statement is expected to be refiled.

Amphicar Corp. of America
June 15, 1961 filed 100,000 common. **Price**—$5. **Business**—Manufacture of amphibious automobiles. **Proceeds**—To establish a parts depot in Newark, N. J., set up sales and service organizations, and for working capital and general corporate purposes. **Office**—660 Madison Ave., N. Y. **Underwriter**—J. J. Krieger & Co., N. Y.

Anaconda Real Estate Investment Trust
Oct. 3, 1961 filed 163,636 shares of beneficial interests. **Price**—$10. **Business**—Real estate investing. **Proceeds**—For purchase of real estate in Florida. **Office**—1776 E. Sunrise Blvd., Fort Lauderdale, Fla. **Underwriter**—None.

Animal Insurance Co. of America
June 29, 1961 filed 40,000 common shares. **Price**—$15.50. **Business** — The insuring of animals, primarily race horses, trotters and pacers. **Proceeds**—For expansion and general corporate purposes. **Office**—92 Liberty St., New York. **Underwriter**—Bernard M. Kahn & Co., Inc., New York (mgr.). **Offering**—Imminent.

● **Anodyne, Inc. (11/6-10)**
June 20, 1961 filed $625,000 of 5% convertible subordinated debentures, 156,250 common shares reserved for issuance on conversion of the debentures and 5-year warrants to purchase 125,000 common shares to be offered in 6,250 units, each consisting of $100 of debentures and warrants to purchase 20 shares. The units will be offered for subscription by common stockholders on the basis of one unit for each 100 common shares held. **Price** — $100 per unit. **Proceeds** — For expansion and working capital. **Office**—1270 N. W. 165th St., North Miami Beach, Fla. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., New York.

Anoroc Products, Inc.
Oct. 6, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Fabrication, manufacture and assembly of glass enclosures for bathtubs. **Proceeds**—For debt repayment and general corporate purposes. **Office**—181-14 Jamaica Ave., Jamaica, N. Y. **Underwriters**—G. Everett Parks & Co., Inc. and Parker Co., N. Y.

Apex Thermoplastics, Inc. (11/13-17)
Aug. 29, 1961 filed 150,000 common. **Price**—$2.40. **Business**—The manufacture of thermoplastic compounds for resale to other manufacturers. **Proceeds**—For equipment, sales and advertising and working capital. **Office**—395 Smith St., Brooklyn, N. Y. **Underwriter**—Continental Bond & Shares Corp., Maplewood, N. J.

Architectural Marble Co.
Aug. 28, 1961 filed 100,000 common. **Price**—$3.50. **Business**—The cutting, designing, polishing and installing of marble products. **Proceeds**—For plant expansion, inventory and working capital. **Office**—4425 N. E. Sixth Terrace, Oakland Park, Ft. Lauderdale, Fla. **Underwriter**—J. J. Bruno & Co., Inc., Pittsburgh.

Arista Truck Renting Corp. (11/6-10)
Aug. 2, 1961 filed 100,000 common. **Price**—$5. **Business**—Renting of trucks in the New York City area. **Proceeds**—Repayment of loans, purchase of equipment, working capital and general corporate purposes. **Office** — 285 Bond St., Brooklyn, N. Y. **Underwriter**—None.

Arizona Color Film Processing Laboratories, Inc.
March 23, 1961 filed 2,100,500 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each share held. **Price**—22 cents per share. **Business**—The processing of black and white and color film. **Proceeds**—To repay loans and for working capital. **Office**—2 North 30th Street, Phoenix, Ariz. **Underwriter**—None.

Armorflex Chemical Corp.
Sept. 18, 1961 ("Reg. A") 150,000 common. **Price**—$2. **Business** — Manufacture of chemical products used for painting, waterproofing, caulking, etc. **Proceeds**—Sales promotion, research and development, inventory expansion and working capital. **Office**—1100 N. E. 125th St., North Miami, Fla. **Underwriter** — Fairfax Investment Corp., Washington, D. C.

Artlin Mills, Inc.
Sept. 28, 1961 filed 135,000 class A common shares. **Price**—$5. **Business**—The purchase, conversion, decoration, gift packaging and distribution of terrycloth towels and cotton pillow cases. **Proceeds**—For inventory, repayment of loans and working capital. **Office**—1030 Pearl St., Long Branch, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y.

Associated Products, Inc.
Aug. 25, 1961 filed 359,000 common, of which 175,000 are to be offered by the company and 184,000 by stockholders. **Price**—$17. **Business**—The manufacture of dog and cat food, cosmetics, drug items and toiletries. **Proceeds**—For repayment of loans and working capital. **Office**—445 Park Ave., N. Y. C. **Underwriters**—Allen & Co., N. Y. C. and A. C. Allyn & Co., Chicago (co-mgrs.). **Offering**—Expected in November.

Astrodata, Inc.
Aug. 28, 1961 filed 825,000 shares of capital stock, of which 200,000 will be offered for public sale and 625,000 will be offered for subscription by stockholders of Epsco, Inc., parent, on the basis of one new share for each Epsco share held. **Price**—By amendment. **Business**—The manufacture of electronic data handling equipment, range timing devices and standard electronic products. **Proceeds**—For repayment of loans and working capital. **Office** — 240 E. Palais Rd., Anaheim, Calif. **Underwriters**—Granbery, Marache & Co., N. Y. C. and William R. Staats & Co., Los Angeles.

Astro-Science Corp.
Sept. 27, 1961 filed 232,500 common, of which 150,000 are to be offered by the company and 82,500 by stockholders. **Price**—By amendment. **Business**—Design and manufacture of ground systems and equipment for the support and servicing of electronic systems, aircraft and missiles. **Proceeds**—Repay debt and increase working capital. **Office**—9449 W. Jefferson Blvd., Culver City, Calif. **Underwriter**—W. C. Langley & Co., N. Y.

● **Atlantic Capital Corp.**
Aug. 29, 1961 filed 500,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—744 Broad St., Newark, N. J. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y. C. **Offering**—Expected sometime in Jan.

Atlantic City Electric Co. (11/2)
Sept. 22, 1961 filed 200,000 common. **Price**—By amendment. **Proceeds**—Prepayment of debt and construction. **Office**—1600 Pacific Ave., Atlantic City, N. J. **Underwriters**—Eastman Dillon, Union Securities & Co. and Smith, Barney & Co., N. Y.

Atlantic Improvement Corp. (11/6-10)
Aug. 30, 1961 filed 150,000 common. **Price**—By amendment. **Business**—The development of residential communities. **Proceeds**—Repayment of a loan and construction, general corporate purposes. **Office**—521 Fifth Ave., N. Y. **Underwriters**—Bear, Stearns & Co., and Finkle & Co., N. Y. (mgrs.).

Atlas Electronics Inc.
Sept. 28, 1961 filed 185,000 common. **Price**—$2.10. **Business**—Distribution of electronic components, parts and equipment. **Proceeds**—To repay debt, purchase inventory, and increase working capital. **Office**—774 Pfeiffer Blvd., Perth Amboy, N. J. **Underwriters**—Hay, Fales & Co. and McLaughlin, Kaufman & Co., N. Y.

Atmospheric Controls, Inc.
Aug. 22, 1961 ("Reg. A") 40,000 common. **Price**—$3.50. **Proceeds** — For repayment of loans, acquisition and working capital. **Office**—715 N. Fayette St., Alexandria, Va. **Underwriter**—First Investment Planning Co., Washington, D. C. **Offering**—Expected in late November.

Atmotron, Inc.
July 27, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For general corporate purposes. **Office**—5209 Hanson Court, Minneapolis. **Underwriter**—To be named.

Ausco, Inc.
Oct. 12, 1961 filed 110,000 common. **Price**—$3. **Business**—Design, development, and manufacture of high pressure aircraft and missile valves. **Proceeds**—For engineering, product development, inventories, advertising, expansion and working capital. **Office**—17 W. 60th St., N. Y. **Underwriter**—Pearson, Murphy & Co., Inc., N. Y.

Authenticolor Inc.
Aug. 29, 1961 filed 148,200 common, of which 136,800 are to be offered by the company and 11,400 by stockholders. **Price**—$3.25. **Business** — Furnishing of photographic service for the professional market. **Proceeds**—Working capital and repayment of loans. **Office**—525 Lexington Ave., N. Y. **Underwriter**—General Economics Corp., N. Y.

● **Automata International, Inc. (10/31)**
Aug. 22, 1961 ("Reg. A") 300,000 common. **Price** — $1. **Proceeds**—For tooling, equipment and working capital. **Office** — 241 S. Robertson Blvd., Beverly Hills, Calif. **Underwriter** — Pacific Coast Securities Co., San Fran.

Automated Gift Plan, Inc.
June 12, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Manufacture and sale of "Gift Bookards" designed to provide simplified gift giving for business and industry. **Proceeds** — For advertising, sales promotion, repayment of loans, working capital and the establishment of national dealerships. **Office**—80 Park Ave., N. Y. **Underwriter**—J. Laurence & Co., Inc., N. Y.

● **Automated Sports Centers, Inc. (11/6-10)**
June 28, 1961 filed 1,750 units, each consisting of one $400 principal amount debenture (with attached warrants) and 120 common. **Price**—$1,000 per unit. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, acquisition of a warehouse and working capital. **Office** — 11459 E. Imperial Hwy., Norfolk, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles. **Note**—The company formerly was named Union Leagues, Inc.

Automated Teaching Systems, Inc.
Sept. 18, 1961 ("Reg. A") 30,000 common. **Price**—$10. **Business**—Manufacture of self-instructional materials and devices. **Proceeds**—For equipment, research and development and other corporate purposes. **Office**—1 W. 58th St., N. Y. **Underwriter**—Arthur J. Rosenhauser Co., 95 Broad St., N. Y.

Autrol Corp.
Sept. 13, 1961 ("Reg. A") 60,000 common. **Price**—$2.50. **Business**—Manufacture of automatic vending machines and related equipment. **Office**—1649 Vine St., Denver, Colo. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., Denver, Colo.

Aveeno Pharmaceuticals, Inc.
Sept. 27, 1961 filed 125,000 common. **Price**—By amendment. **Business**—Development and sale of pharmaceutical products. **Proceeds**—For sales promotion, new prod-

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ucts and working capital. **Office**—250 W. 57th St., N. Y. **Underwriter**—Laird & Company, Corp., N. Y.

Avemco Finance Corp. (11/6-10)
Aug. 15, 1961 filed 300,000 common shares. **Price**—By amendment. **Business**—The retail financing of time sales to consumers and the financing of dealer sales of aircraft and related equipment. **Proceeds**—For the repayment of debt. **Office**—8645 Colesville, Rd., Silver Spring, Md. **Underwriters**—Sterling, Grace & Co., New York and Rouse, Brewer, Becker & Bryant, Inc., Washington, D. C.

★ **Avis Apts., Inc.**
Oct. 19, 1961 ("Reg. A") 22,500 class A capital shares. **Price**—At par ($10). **Business**—Construction and maintenance of a building for residential apartments and professional offices. **Proceeds**—For construction. **Office**—707 Press Building, Binghamton, N. Y. **Underwriter**—None.

BSF Company
June 30, 1961 filed $2,500,000 of 5% convertible subordinated debentures due 1966. **Price**—At par. **Proceeds**—To repay debt and as a reserve for possible acquisitions. **Office**—818 Market St., Wilmington, Del. **Underwriter**—None.

★ **Bal Harbour Diagnostic Service, Inc.**
Oct. 18, 1961 filed 2,000,000 common. **Price**—$1. **Business**—Company will operate a medical examination center. **Proceeds**—For a hotel acquisition and working capital. **Office**—10101 Collins Ave., Bal Harbour, Fla. **Underwriter**—J. R. Holt & Co., Denver.

Barish Associates, Inc.
Sept. 1, 1961 ("Reg. A") 50,000 common. **Price**—$4. **Business**—Aeronautical research and development. **Proceeds**—For working capital. **Office**—224 E. 38th St., N. Y. **Underwriter**—Gianis & Co., N. Y.

★ **Barrie Agency, Inc.**
Oct. 11, 1961 ("Reg. A") 200,000 capital shares. **Price**—At par ($1). **Business**—A general insurance agency. **Proceeds**—For capital funds. **Office**—1523 N. Garden St., Boise, Idaho. **Underwriter**—None.

Barry (R. G.) Corp.
Sept. 21, 1961 filed 100,000 common. **Price**—$5. **Business**—Manufacture of slippers, robes, cushions, pillows, auto-seat covers, and other specialty items. **Proceeds**—To repay debt, increase inventory and for other corporate purposes. **Office**—78 E. Chestnut St., Columbus, Ohio. **Underwriter**—Arnold Malkan & Co., N. Y.

● **Barry-Martin Pharmaceuticals, Inc. (11/13-17)**
Aug. 25, 1961 ("Reg. A") 150,000 class A common. **Price**—$2. **Proceeds**—For packaging, advertising, repayment of loans and working capital. **Office** — 4621 Ponce de Leon Blvd., Coral Gables, Fla. **Underwriter** — Edward Hindley & Co., N. Y. C.

● **Barton Distilling Co. (11/13-17)**
Oct. 5, 1961 filed 360,000 common. **Price**—By amendment. **Business**—Distilling of whiskey. **Proceeds**—For selling stockholders. **Office**—134 N. La Salle St., Chicago. **Underwriters** — Smith, Barney & Co., N. Y. and Fulton, Reid & Co., Inc., Cleveland.

Beau Electronics, Inc.
Sept. 26, 1961 ("Reg. A") 3,000 common. **Price**—At-the-market. **Business**—The manufacture of special type electric motors. **Proceeds**—For a selling stockholder. **Office**—1060 Wolcott Rd., Waterbury, Conn. **Underwriter**—Cooley & Co., Hartford, Conn.

Bel-Aire Products, Inc.
Sept. 22, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Manufacture of aluminum pontoon boats. **Office**—25970 W. Eight Mile Rd., Southfield, Mich. **Underwriter**—Ehrlich, Irwin & Co., Inc., N. Y.

Bell Television, Inc.
Aug. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—The manufacture of television antenna, music and sound equipment and closed circuit television systems. **Proceeds**—For an acquisition, expansion and inventory. **Office**—552 W. 53rd St., New York 19, N. Y. **Underwriter** — Investment Planning Group, Inc., East Orange, N. J.

Berkshire Distributors, Inc.
Sept. 14, 1961 filed 100,000 common, of which 60,000 will be sold for the company and 40,000 for certain stockholders. **Price**—By amendment. **Business**—The operation of eight discount type department stores in four states. **Proceeds**—For the repayment of debt, and working capital. **Office**—203 Ann St., Hartford, Conn. **Underwriter**—May & Gannon, Boston.

Bernz (Otto) Co., Inc.
Oct. 16, 1961 filed 150,000 class A shares, of which 100,000 are to be offered by the company and 50,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of small propane-filled steel cylinders, garden sprinklers and hose accessories. **Proceeds**—For debt repayment and general corporate purposes. **Office**—740 Driving Park Ave., Rochester, N. Y. **Underwriter**—Reynolds & Co., Inc., N. Y.

Best Plastics Corp.
Sept. 26, 1961 filed 125,000 common, of which 100,000 will be sold by the company and 25,000 by stockholders. **Price**—$3. **Business**—Manufacture of plastic novelties and party favors. **Proceeds**—New plant and equipment and working capital. **Office**—945 39th St., Brooklyn, N. Y. **Underwriter**—S. B. Cantor & Co., N. Y.

Bin-Dicator Co.
Aug. 25, 1961 filed 160,932 common. **Price**—By amendment. **Business**—Manufactures automatic control devices for handling bulk granular materials. **Proceeds** — For selling stockholders. **Office** — 17190 Denver, Detroit. **Underwriter**—Smith, Hague & Co., Detroit.

● **Binney & Smith, Inc. (11/13-17)**
Sept. 8, 1961 filed 171,038 common. **Price**—By amendment. **Business**—The manufacture of educational art materials. **Proceeds**—For the selling stockholders. **Office**—380 Madison Ave., N. Y. C. **Underwriter**—Lee Higginson Corp., N. Y. (mgr.).

Bloch Brothers Tobacco Co.
July 3, 1961 ("Reg. A") 4,000 common shares (par $12.50). **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—4000 Water St., Wheeling, W. Va. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland.

● **Bloomfield Building Industries, Inc. (10/30-11/3)**
June 29, 1961 filed 300,000 class A common shares. **Price**—$5. **Proceeds**—For advances to a subsidiary, purchase of additional land and the construction of buildings thereon. **Office** — 3355 Poplar Ave., Memphis, Tenn. **Underwriter**—Lieberbaum & Co., New York.

★ **Bolar Pharmaceutical Co. Inc.**
Oct. 18, 1961 ("Reg. A") 50,000 class A common. **Price**—$2. **Business**—Compounds, manufactures and packages private label drugs and vitamins. **Proceeds**—For an acquisition and equipment. **Office**—54 McKibben St., Brooklyn, N. Y. **Underwriter**—Natale, Miller & Co., Inc., New York.

Boone (C. F.) Nationwide Publications, Inc.
Sept. 20, 1961 ("Reg. A") 100,000 common. **Price**—$2. **Business**—Publishes directories of military personnel and Texas landowners. **Office**—4007 Ave. "A," Lubbock, Texas. **Underwriter**—G. K. Scott & Co., Inc., N. Y.

Boro Electronics, Inc.
Aug. 30, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—The distribution of electronic products manufactured by others. **Proceeds**—For inventory, equipment, advertising, promotion, working capital and repayment of loans. **Office**—69-18 Roosevelt Ave., Woodside, N. Y. **Underwriter**—McLaughlin, Kaufman & Co., N. Y. **Offering**—Expected in early November.

Bowling Internazionale, Ltd.
June 30, 1961 filed 200,000 common shares. **Price**—$5. **Proceeds**—For the construction or acquisition of a chain of bowling centers principally in Italy, and for expansion and working capital. **Office**—80 Wall St., New York. **Underwriters**—V. S. Wickett & Co., and Thomas, William, & Lee, Inc., New York City.

● **Brite Universal, Inc. (11/6-10)**
July 31, 1961 filed 100,000 common shares and $1,000,000 of 10% subordinated debentures due 1966 to be offered for public sale and 108,365 common shares to be offered for subscription by stockholders of Brite Universal, Inc. (N. Y.) parent company, on the basis of 2½ shares for each class A and class B shares held. **Price**—By amendment. **Business**—The operation of a consumer finance business in N. Y., N. J., and Pa. **Office**—441 Lexington Avenue, New York City. **Underwriter**—None.

● **Bronzini, Ltd. (11/6-10)**
Aug. 23, 1961 filed 125,000 common. **Price**—$6. **Business** Manufacture of men's wear accessories. **Proceeds**—Redemption of the 10% preferred stock, repayment of a loan, expansion and working capital. **Office**—720 Fifth Ave., N. Y. **Underwriter**—A. J. Gabriel & Co., Inc., N. Y.

● **Bundy Electronics Corp. (11/13-17)**
Aug. 22, 1961 filed 100,000 common shares. **Price**—$4. **Business**—The design, development and manufacture of electronic components for space and earth communications. **Proceeds**—For moving expenses, repayment of debt and working capital. **Office**—171 Fabyan Place, Newark. **Underwriters**—Lenchner, Covato & Co., Inc., Pittsburgh and Harry Odzer Co., N. Y. (co-mgr.).

★ **Burnham & Morrill Co.**
Oct. 25, 1961 filed 187,250 common. **Pirce**—By amendment. **Business** — Manufacture of canned foods, frozen dinners and baked beans. **Proceeds**—For selling stockholders. **Office**—45 Water St., Portland, Me. **Underwriter**—Hornblower & Weeks, N. Y.

● **Burns (William J.) International Detective Agency, Inc.**
Aug. 22, 1961 filed 175,000 class A common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—101 Park Ave., New York. **Underwriter**—Smith, Barney & Co., Inc., N. Y. **Offering**—Imminent.

Burton Mount Corp.
Sept. 22, 1961 filed 100,000 common. **Price**—$6. **Business**—Importation and distribution of copying machines and supplies. **Proceeds**—Repayment of debt, inventory, sales promotion and other corporate purposes. **Office**—2147 Jericho Turnpike, New Hyde Park, N. Y. **Underwriter**—Reiner, Linburn & Co., N. Y.

Business Growth Funding Corp.
Sept. 20, 1961 filed 100,000 common. **Price**—$4. **Business**—Making of loans to small business concerns, purchase of machinery for lease, and the providing of management counseling. **Proceeds**—For working capital. **Office**—527 Lexington Ave., N. Y. **Underwriter**—Morton Klein & Co., Inc., N. Y.

● **Cable Carriers, Inc.**
March 23, 1961 filed 196,109 shares of capital stock. **Price**—$1.15. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwritre**—Capital Securities Corp., Greenville, S. C.

● **California Real Estate Investors (11/20-24)**
Aug. 17, 1961 filed 1,000,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate investment. **Office**—12014 Wilshire Blvd., Los Angeles. **Underwriter**—Harnack, Gardner & Co., (same address) (managing).

Cambridge Fund of California, Inc.
Sept. 28, 1961 filed 280,000 common. **Price**—By amendment. **Business**—General real estate. **Proceeds**—Debt repayment and working capital. **Office**—324 E. Bixby Rd., Long Beach, Calif. **Underwriter**—To be named.

● **Camp Chemical Co., Inc. (11/13-17)**
Aug. 25, 1961 filed 110,000 capital shares. **Price**—$3. **Business**—Manufacture of sanitation chemicals. **Proceeds** Advertising, additional sales personnel, inventories and accounts receivable. **Office**—Second Ave., and 13th St., Brooklyn. **Underwriter**—Russell & Saxe, Inc., N. Y.

● **Campus Casuals of California**
Oct. 11, 1961 filed 140,000 common. **Price**—By amendment. **Business**—Manufactures ladies' apparel. **Proceeds**—For selling stockholders. **Office**—719 S. Los Angeles St., Los Angeles, Calif. **Underwriter**—William R. Staats & Co., Los Angeles. **Offering**—Expected in Dec.

Canbowl Centers Ltd.
Aug. 4, 1961 filed 131,500 common shares to be offered for subscription by stockholders of American Bowling Enterprises, Inc., parent company, on the basis of one share for each four American shares held. **Price**—$5.50. **Business**—The operation of bowling centers. **Proceeds**—For working capital and the construction and operation of bowling centers. **Office**—100 Wilder Bldg., Rochester, N. Y. **Underwriter**—None.

Cap & Gown Co.
Sept. 21, 1961 filed 192,400 class A common, of which 125,500 are to be offered by the company and 66,000 by stockholders. **Price**—By amendment. **Business**—Manufacture, rental, and sale of graduation caps, gowns, choir robes and related apparel. **Proceeds**—Plant expansion, repayment of debt and other corporate purposes. **Office**—100 N. Market St., Champaign, Ill. **Underwriter**—Kidder, Peabody & Co., Inc., N. Y. **Offering**—In early Dec.

Capitol Research Industries, Inc.
June 28, 1961 filed 165,000 common shares and 75,000 common stock purchase warrants. **Price**—For stock, $2; for warrants, 20 cents. **Business**—The manufacture of X-ray film processing machines. **Proceeds**—For repayment of loans and working capital . **Office**—4206 Wheeler Ave., Alexandria, Va. **Underwriter**—To be named.

★ **Captain's Corp.**
Oct. 11, 1961 ("Reg. A") 65,000 common. **Price**—$3.30. **Business**—General real estate. **Proceeds**—For debt repayment and general corporate purposes. **Office**—6945 Nicollet Ave., Minneapolis. **Underwriters**—Irving J. Rice & Co., Inc., St. Paul; R. J. Steichen & Co., Minneapolis; Bardon Higgins & Co., Inc., Duluth, and C. D. Mahoney & Co., Inc., Minneapolis.

Card Key Systems, Inc.
July 28, 1961 ("Reg. A") 60,000 common shares (no par). **Price** — $5. **Proceeds** — For research and development, advertising equipment and working capital. **Office**—923 S. San Fernando Boulevard, Burbank, Calif. **Underwriter** — Rutner, Jackson & Gray, Inc., Los Angeles. **Offering**—Expected in early November.

Caribbean Cement Co., Ltd.
Oct. 18, 1961 filed 272,000 American Depositary Shares, each share representing one ordinary share. **Price**—By amendment. **Business**—Manufacture of cement. **Proceeds**—For selling stockholders. **Office**—Kingston, Jamaica. **Underwriter**—Paribas Corp., N. Y.

Caribbean Shoe Corp.
Oct. 18, 1961 filed 149,794 common, of which 146,667 will be sold by the company and 3,127 by a stockholder. **Price**—$6. **Business**—Design, manufacture and distribution of custom made shoes for women. **Proceeds**—General corporate purposes. **Office** — 253 S. W. 8th St., Miami, Fla. **Underwriter**—Robert L. Ferman & Co., Inc., Miami.

● **Carolina Power & Light Co. (11/14)**
Oct. 11, 1961 filed 150,000 common. **Price**—By amendment. **Proceeds**—Debt repayment and expansion. **Office**—336 Fayetteville St., Raleigh, N. C. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y. and R. S. Dickson & Co., Inc., Charlotte, N. C.

Carolina Power & Light Co. (11/16)
Oct. 11, 1961 filed $25,000,000 first mortgage bonds. **Office**—336 Fayetteville St., Raleigh, N. C. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co.-Equitable Securities Corp. (jointly); W. C. Langley & Co.-First Boston Corp. (jointly). **Information Meeting:** Nov. 14 (11 a.m. EST) in Room 240, 2 Rector St., N. Y. **Bids**—Expected Nov. 16 at 12 noon.

● **Cary Chemicals, Inc.**
Sept. 27, 1961 filed 1,031,939 common to be offered for subscription by common stockholders and holders of convertible securities at the rate of one new share for each two held. **Price**—By amendment. **Business**—Manufacture of vinyl chloride polymer and copolymer resins, polyvinyl chloride compounds, and polyvinyl chloride sheeting and laminates and polyethylene film. **Proceeds**—For expansion. **Office**—Ryders Lane, E. Brunswick, N. J. **Underwriters**—Lee Higginson Corp., and P. W. Brooks & Co., N. Y. (mgr.). **Offering**—Late November.

● **Casavan Industries, Inc.**
Aug. 21, 1961 filed 350,000 captal shares. **Price**—$7. **Business**—Production of plastics, marble and ceramics for the packaging and building indsutries. **Proceeds**—For expansion, leasehold improvements, repayment of loans and other corporate purposes. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**—Foundation Securities, Inc., N. Y.

● **Catamount, Inc. (10/30-11/3)**
Aug. 23, 1961 ("Reg. A") $30,000 of debentures due Sept. 1, 1976, to be offered in units of $500. **Price** — At par.

Proceeds—For operation of a ski resort. **Address**—Egremont, Mass. **Underwriter** — Kennedy & Peterson, Inc., Hartford, Conn.

Certified Industries, Inc.
Sept. 28, 1961 filed $750,000 of 6% convertible subordinated debentures due 1976 with attached warrants to purchase 15,000 class A shares to be offered in units (of one $250 debenture and a warrant to purchase 5 shares) for subscription by holders of class A and class B shares at the rate of one unit for each 50 shares held. **Price**—$250 per unit. **Business**—Production of concrete for construction purposes. **Proceeds**—For expansion, equipment and working capital. **Office**—344 Duffy Ave., Hicksville, N. Y. **Underwriter**—Singer, Bean & Mackie, Inc., N. Y.

Challenger Products, Inc.
June 30, 1961 filed 125,000 common shares. **Price**—$5. **Proceeds**—For the repayment of debt, purchase of new equipment, and working capital. **Office**—2934 Smallman St., Pittsburgh, Pa. **Underwriter**—To be named.

Chandler Leasing Corp.
Sept. 26, 1961 filed 143,000 common. **Price**—By amendment. **Business**—Leasing of equipment. **Proceeds**—For the purchase of 20 class A common shares from a director, and working capital. **Office**—17 Dunster St., Cambridge, Mass. **Underwriter**—G. H. Walker & Co., N. Y.

Chester Electronic Laboratories, Inc.
Sept. 27, 1961 filed 100,000 common. **Price**—By amendment. **Business**—Manufacture of electronic teaching equipment. **Proceeds**—For acquisition of a plant and equipment, debt repayment, new products and working capital. **Address**—Chester, Conn. **Underwriter**—Putnam & Co., Hartford. **Offering**—Expected in December.

Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified management investment company. **Proceeds**—For investment. **Office**—501 Bailey Ave., Fort Worth, Tex. **Distributor**—Associates Management, Inc., Fort Worth.

Churchill Stereo Corp. (11/3)
July 17, 1961 105,000 common shares and 105,000 attached five-year warrants to be offered in units of one share and one warrant. **Price**—$3.60 per unit. **Business**—The manufacture of stereophonic, hi-fidelity, radio and/or television equipment and the operation of six retail stores. **Proceeds** — For expansion, repayment of loans, working capital and other corporate purposes. **Office**—200 E. 98th Street, Brooklyn, N. Y. **Underwriter**—Lieberbaum & Co., New York (managing).

Cinema Syndicate, Inc.
Sept. 6, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Production of motion pictures. **Proceeds**—Repayment of loans, purchase of equipment and working capital. **Office**—619 W. 54th St., N. Y. **Underwriter**—Security Options Corp., N. Y.

Cineque Colorfilm Laboratories, Inc.
Aug. 29, 1961 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—The production of slides and color film strips. **Proceeds**—For equipment, sales promotion and advertising. **Office**—424 E. 89th St., N. Y. **Underwriter**—Paul Eisenberg Co., N. Y.

Citizens Life Ins. Co. of New York (11/6-10)
Sept. 8, 1961 filed 147,000 common, of which 100,000 will be sold by the company and 47,000 by a stockholder. **Price**—By amendment. **Business**—The writing of or-

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NEW ISSUE CALENDAR

October 27 (Friday)

Motor Coils Manufacturing Co. — Common
(Golkin, Bomback & Co.) $650,000

October 30 (Monday)

Advanced Electronics Corp. — Class A
(Edward Hindley & Co., and Hardy & Co.) $300,000

Bloomfield Building Industries, Inc. — Common
(Lieberbaum & Co.) $1,500,000

Catamount, Inc. — Debentures
(Kennedy & Peterson, Inc.) $30,000

Electra International, Ltd. — Capital
(Ezra Kureen Co.) 70,000 shares

Electra-Tronics, Inc. — Common
(Jay Morton & Co., Inc. and Bruce-Atkind & Co., Inc.) $180,000

Family Finance Corp. — Debentures
(Goldman, Sachs & Co.) $25,000,000

First National Realty & Construction Corp. — Debs.
(H. Hentz & Co.) $3,000,000

Fleetwood Securities Corp. of America — Common
(General Securities Co., Inc.) $700,000

General Forms, Inc. — Common
(Equity Securities Co.) $300,000

General Kinetics, Inc. — Common
(Balogh & Co., Inc. and Irving J. Rice & Co., Inc.) 200,000 shares

Hygrade Packaging Corp. — Class A
(P. J. Gruber & Co., Inc.) 100,000 shares

Marshall Industries — Common
(William R. Staats & Co. and Shearson, Hammill & Co.) 125,000 shares

Missile-Tronics Corp. — Common
(Hopkins, Calamari & Co., Inc.) $227,850

Natpac Inc. — Common
(William, David & Motti, Inc. and Flomenhaft, Seidler & Co., Inc.) $475,000

Ro Ko, Inc. — Common
(Midland Securities Co., Inc. and George K. Baum & Co.) $600,000

Sav-Tax Club, Inc. — Common
(B. G. Harris & Co., Inc.) $500,000

Security Group, Inc. — Common
(Allied Securities Corp.) $293,970

Supronics Corp. — Common
(Amos Treat & Co., Inc.; Standard Securities Corp.; Fred F. Sessler & Co., Inc. and Bruno-Lenchner Inc.) 90,000 shares

Techno-Vending Corp. — Common
(International Services Corp.) $300,000

Thermionix Industries Corp. — Common
(D. L. Capas Co.) $300,000

Thoroughbred Enterprises, Inc. — Common
(Sandkuhl & Co., Inc.) $340,000

Tor Education, Inc. — Capital
(F. L. Rossman & Co.) $475,000

Tri-Chem, Inc. — Units
(P. W. Brooks & Co., Inc.) 3,500 units

Tropical Gas Co., Inc. — Common
(Offering to stockholders—underwritten by Glore, Forgan & Co.) 135,000 shares

True Taste Corp. — Common
(Dallas Rupe & Son, Inc.) $1,000,000

Weissberg (H. R.) Corp. — Class A
(Troster, Singer & Co.) 250,000 shares

Wonderbowl, Inc. — Common
(Standard Securities Corp.) $300,000

October 31 (Tuesday)

Automata International, Inc. — Common
(Pacific Coast Securities Co.) $300,000

Chicago, Burlington & Quincy — Equip. Trust Ctfs.
(Bids to be received) $2,400,000

Dunlap & Associates, Inc. — Common
(Dominick & Dominick Inc.) 75,000 shares

Micro-Precision Corp. — Common
(Manufacturers Securities Corp.; Bioren & Co.; Boenning & Co.; Chace, Whiteside & Winslow, Inc.; Draper, Sears & Co.; Schirmer, Atherton & Co.) $300,000

Star Industries, Inc. — Class A
(Lee Higginson Corp. and H. Hentz & Co.) 415,576 shares

November 1 (Wednesday)

Empire Precision Components, Inc. — Class A
(Ezra Kureen Co.) $260,000

Dressen-Barnes Electronics Corp. — Capital
(Lester, Ryons & Co.) 100,000 shares

Girder Process, Inc. — Common
(Winslow, Cohu & Stetson) $422,000

Hamilton Electro Corp. — Common
(William Norton Co.) $1,012,500

Idaho Power Co. — Common
(Underwriters to be named) 200,000 shares

Idaho Power Co. — Bonds
(Bids 11 a.m. EDT) $10,000,000

Vol-Air, Inc. — Common
(Glass & Ross, Inc.) $240,000

November 2 (Thursday)

Atlantic City Electric Co. — Common
(Eastman Dillon, Union Securities & Co. and Smith, Barney & Co.) 200,000 shares

General Telephone Co. of Florida — Bonds
(Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp.) $15,000,000

November 3 (Friday)

Churchill Stereo Corp. — Units
(Lieberbaum & Co.) $378,000

Consumers Utilities Corp. — Common
(Golkin, Bomback & Co.) 302,000 shares

Executive Equipment Corp. — Common
(Reich & Co. and Jacques Coe & Co.) $400,000

November 6 (Monday)

AMT Corp. — Common
(A. G. Becker & Co.) 230,000 shares

Air Master Corp. — Common
(Francis I. du Pont & Co.) 200,000 shares

Albert Voigt Industries, Inc. — Common
(David Barnes & Co., Inc.) $320,000

American Data Machines, Inc. — Common
(Golkin, Bomback & Co.) $675,000

American Finance Co., Inc. — Units
(Lomasney, Loving & Co.) $1,250,000

Anodyne, Inc. — Units
(Ross, Lyon & Co., Inc. and Globus, Inc.) $625,000

Arista Truck Renting Corp. — Common
(No underwriting) $500,000

Arista Truck Renting Corp. — Common
(No underwriting) $500,000

Atlantic Improvement Corp. — Common
(Bear, Stearns & Co. and Finkle & Co.) 150,000 shares

Automated Sports Centers, Inc. — Units
(Holton, Henderson & Co.) $1,750,000

Avemco Finance Corp. — Common
(Sterling, Grace & Co. and Rouse, Brewer, Becker & Bryant, Inc.) 200,000 shares

Brite Universal, Inc. — Common
(No underwriting) 100,000 shares

Brite Universal, Inc. — Common
(Offering to stockholders—no underwriting) 108,365 shares

Brite Universal, Inc. — Debentures
(Offering to stockholders—no underwriting) $1,000,000

Bronzini, Ltd. — Common
(A. J. Gabriel & Co., Inc.) $750,000

Cap & Gown Co. — Class A
(Kidder, Peabody & Co.) 192,400 shares

Citizens Life Insurance Co. of New York — Common
(A. G. Becker & Co.) 147,000 shares

Commonwealth Theatres of Puerto Rico, Inc. — Com.
(J. R. Williston & Beane) $1,000,000

Control Lease Systems, Inc. — Common
(M. H. Bishop & Co. and J. P. Penn & Co., Inc.) $258,750

Cosmetically Yours, Inc. — Common
(P. J. Gruber & Co., Inc.) $170,000

Cromwell Business Machines, Inc. — Common
(Pacific Coast Securities Co.) $300,000

Dynamic Toy, Inc. — Common
(Hancock Securities Corp.) $243,000

Electro-Miniatures Corp. — Common
(Burnham & Co.) $300,000

Fashion Homes Inc. — Common
(Globus, Inc., and Ross, Lyon & Co., Inc.) $244,800

Fashion Homes Inc. — Units
(Globus, Inc., and Ross, Lyon & Co., Inc.) $1,000,000

First Western Financial Corp. — Common
(A. C. Allyn & Co.) 450,000 shares

Foods Plus, Inc. — Common
(Shearson, Hammill & Co.) 150,000 shares

Growth, Inc. — Common
(Mann & Creesy) $300,000

Halco Chemical Co. — Common
(Ross, Lyon & Co., Inc., and Globus, Inc.) $450,000

Handschy Chemical Co. — Common
(Blunt Ellis & Simmons) 160,000 shares

Happy House, Inc. — Common
(No underwriting) $700,000

Ihnen (Edward H.) & Son, Inc. — Common
(Amos Treat & Co. Inc.) $375,000

International Housing Corp. — Common
(Bratter & Co., Inc.) $505,000

Jayark Films Corp. — Common
(Pacific Coast Securities Co.) 72,000 shares

Kaufman & Broad Building Co. — Common
(Bache & Co.) 174,500 shares

Longs Drug Stores, Inc. — Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 190,000 shares

Magazines for Industry, Inc. — Common
(S. D. Fuller & Co.) 135,000 shares

Major Finance Corp. — Units
(Manhattan Eastern Corp.) $600,000

Met Food Corp. — Common
(Brand, Grumet & Seigel, Inc.) $600,000

Midwest Technical Development Corp. — Common
(Lee Higginson Corp. and Piper, Jaffray & Hopwood) 800,000 shares

Monmouth Capital Corp. — Capital
(Meade & Co.) $2,000,000

Monmouth Electric Co., Inc. — Common
(Cruttenden, Podesta & Co. and Spear, Leeds & Kellogg) $1,200,000

Municipal Investment Trust Fund, Pa. Series — Ints.
(Ira Haupt & Co.) $6,375,000

National Hospital Supply Co. — Common
(Edward Lewis Co., Inc. and Underhill Securities Corp.) $300,000

Oceanic Instruments, Inc. — Common
(Globus, Inc.) $140,000

Orbit Instrument Corp. — Capital
(Hardy & Co.) $400,000

Pan-Alaska Fisheries, Inc. — Common
(Robert L. Ferman & Co.) 120,000 shares

Pavelle Corp. — Common
(Bear, Stearns & Co.) 200,000 shares

Penn Optical, Inc. — Capital
(Francis J. Mitchell & Co., Inc.) $300,000

Photo-Animation, Inc. — Common
(First Philadelphia Corp.) $187,500

Platt Corp. — Common
(First Weber Securities Corp.) $1,100,000

Precision Microwave Corp. — Common
(Peter Morgan & Co.) $1,650,000

Product Research of R. I., Inc. — Common
(Continental Bond & Share Corp.) $676,500

Publishers Co., Inc. — Debentures
(Roth & Co., Inc.) $1,200,000

Raymond Engineering Laboratory, Inc. — Common
(Lee Higginson Corp.) 100,000 shares

Realtone Electronics Corp. — Common
(Lieberbaum & Co.) $400,000

Red Rope Stationery Industries, Inc. — Common
(George, O'Neill & Co., Inc.) $560,000

Russ Togs, Inc. — Class A
(Shearson, Hammill & Co.) 107,571 shares

S. O. S. Photo-Cine-Optics, Inc. — Units
(William, David & Motti, Inc.) $200,000

Semicon, Inc. — Common
(S. D. Fuller & Co.) 125,000 shares

Southern Growth Industries, Inc. — Common
(Capital Securities Corp.) $600,000

Southern Realty & Utilities Corp. — Units
(Hirsch & Co. and Lee Higginson Corp.) 6,280 units

Telecredit, Inc. — Common
(Globus, Inc.) $155,000

Thermo-Chem Corp. — Common
(Best & Garey Co., Inc.) $585,000

Trans-Lux Corp. — Common
(Bear, Stearns & Co.) 250,000 shares

Trio-Tech, Inc. — Common
(Ezra Kureen Co.) $200,000

United Improvement & Investing Corp. — Debens.
(Offering to stockholders—underwritten by Sutro Bros. & Co.) $2,500,000

Universal Data Processing Corp. — Common
(Holton, Henderson & Co.) $300,000

Valley Title & Trust Co. — Common
(Louis R. Dreyling & Co.) $600,000

Vendotronics Corp. — Common
(B. G. Harris & Co., Inc.) $300,000

Voron Electronics Corp. — Class A
(John Joshua & Co., Inc. and Reuben Rose & Co.) $300,000

Wald Research, Inc. — Common
(Martinelli & Co. and E. R. Davenport & Co.) $325,000

Warshow (H.) & Sons, Inc. — Class A
(Lee Higginson Corp. and P. W. Brooks & Co., Inc.) 285,000 shares

November 9 (Thursday)

Growth Properties — Common
(Pacific Coast Securities Co.) 50,000 shares

Rexach Construction Co. — Common
(P. W. Brooks & Co., Inc., and CIA Financiera de Inversiones, Inc.) $2,000,000

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dinary life, group life and group credit life insurance. **Proceeds**—For investment in income producing securities. **Office**—33 Maiden Lane, N. Y. **Underwriter**—A. G. Becker & Co., N. Y. (mgr.).

Clute (Francis H.) & Son, Inc. (12/4-8)
July 3, 1961 filed 1,000,000 common shares. **Price**—$1.50. **Business** — The manufacture of farm and industrial equipment. **Proceeds**—For materials and inventory, research and development and working capital. **Office**—1303 Elm St., Rocky Ford, Colo. **Underwriter** — Stone, Altman & Co., Inc., Denver.

★ **Colby (Jane), Inc.**
Oct. 19, 1961 filed 105,000 common, of which 50,000 shares are to be offered by the company and 55,000 shares by stockholders. **Price**—$10. **Business**—Manufacture of women's apparel. **Proceeds**—For general corporate purposes. **Office**—113 Fourth Ave., N. Y. **Underwriter**—Meade & Co., N. Y. **Offering**—Expected in Jan.

Cole Vending Industries, Inc.
Aug. 28, 1961 filed 115,000 common. **Price**—By amendment. **Business**—The manufacture, sale and servicing of vending machines. **Proceeds**—For working capital. **Office**—560 W. Lake St., Chciago. **Underwriter**—Straus, Blosser & McDowell, Chicago (mgr.).

Coleco Industries, Inc.
Sept. 26, 1961 filed 120,000 common, of which 12,000 shares will be offered by the company and 108,000 by stockholders. **Price**—By amendment. **Business**—Manufactures plastic toys, play pools, toy boats and houses, and games. **Proceeds**—For plant expansion and working capital. **Office**—75-77 Windsor St., Hartford, Conn. **Underwriter**—Cooley & Co., Hartford, Conn.

Columbian Bronze Corp.
July 13, 1961 filed 150,000 common shares. **Price**—$5 **Business**—The manufacture of marine propellers and electronic equipment, hydraulic products and metal furniture. **Proceeds**—For repayment of loans and expansion. **Office**—216 N. Main St., Freeport, N. Y. **Underwriter**—H. M. Frumkes & Co., N. Y. **Offering**—In Nov.

● **Columbus & Southern Ohio Electric Co. (11/14)**
Oct. 10, 1961 filed 148,640 common. **Price**—By amendment. **Proceeds**—For debt repayment. **Office**—215 N. Front St., Columbus, Ohio. **Underwriters**—Dillon, Read & Co., Inc., N. Y. and The Ohio Co., Columbus, Ohio.

Combined Insurance Co. of America
Aug. 25, 1961 filed 300,000 common. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Business**—The writing of accident and health insurance. **Office**—5050 B'way, Chicago. **Underwriter**—Smith, Barney & Co., N. Y. **Offering**—Expected sometime in November.

Commonwealth Theatres of Puerto Rico, Inc. (11/6-10)
July 28, 19661 filed 100,000 common, of which 50,000 are to be offered by the company and 50,000 by stockholders. **Price**—$10. **Business**—Operation of a chain of theatres in Puerto Rico. **Proceeds**—For construction of a

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November 10 (Friday)
General Research Corp. .... **Units**
(Wilson, Ehli, Demos, Bailey & Co.) $279,130

November 13 (Monday)
Ace Trophies Corp. .... **Common**
(Ezra Kureen Co.) $200,000
Aero-Dynamics Corp. .... **Common**
(Cambridge Securities, Inc. and Edward Lewis Co., Inc.) $500,000
All Star World Wide, Inc. .... **Debentures**
(Alessandrini & Co., Inc. and Hardy & Hardy) $250,000
All Star World Wide, Inc. .... **Common**
(Alessandrini & Co., Inc. and Hardy & Hardy) $750,000
Alpine Geophysical Associates, Inc. .... **Common**
(S. D. Fuller & Co.) 150,000 shares
Alson Manufacturing Co. .... **Common**
(Albion Securities Co., Inc.) $300,000
American Automatic Vending Corp. .... **Common**
(McDonald & Co.) 2?0,000 shares
Apex Thermoplastics, Inc. .... **Common**
(Continental Bond & Share Corp.) $330,000
Barry-Martin Pharmaceuticals, Inc. .... **Common**
(Edward Hindley & Co.) $300,000
Barton Distilling Co. .... **Common**
(Smith, Barney & Co. and Fulton, Reid & Co., Inc.) 360,000 shares
Binney & Smith, Inc. .... **Common**
(Lee Higginson Corp.) 171,038 shares
Bundy Electronics Corp. .... **Common**
(Lenchner, Covato & Co., Inc.) $400,000
Camp Chemical Co., Inc. .... **Capital**
(Russell & Saxe, Inc.) $330,000
Continental Leasing Corp. .... **Common**
(Cambridge Securities, Inc.) $300,000
Continental Vending Machine Corp. .... **Debentures**
(Offering to stockholders—underwritten by Hardy & Co.) $5,052,700
Crossway Motor Hotels, Inc. .... **Common**
(Candee & Co.) $350,000
Eastern Properties Improvement Corp. .... **Debens.**
(Woodcock, Moyer, Fricke & French, Inc.) $1,500,000
Eastern Properties Improvement Corp. .... **Common**
(Woodcock, Moyer, Fricke & French, Inc.) $2,500,000
Electronic Communications, Inc. .... **Common**
(Laird & Co., Corp.) 150,000 shares
Electronic International, Inc. .... **Common**
(Theodore Arrin & Co., Inc.) $260,000
Energy Components Corp. .... **Common**
(Albion Securities Co., Inc.) $175,000
FM-Stereo Guide, Inc. .... **Common**
(Valley Forge Securities Co., Inc.) $300,000
Family Circle Associates, Inc. .... **Common**
(Russell & Saxe, Inc.) $350,000
Floyd Bennett Stores, Inc. .... **Common**
(Goodkind, Neufeld, Jordon Co., Inc. and Richter & Co.) 100,000 shares
Gem Electronics Distributors, Inc. .... **Common**
(Carter, Berlind, Potoma & Weill) 75,000 shares
Hannett Industries, Inc. .... **Common**
(Albion Securities Co., Inc.) $300,000
International Management Corp. .... **Common**
(J. B. McLean & Co., Inc.) $300,000
Interstate Bowling Corp. .... **Common**
(Currier & Carlsen, Inc.) $525,000
Kent Dry Cleaners, Inc. .... **Common**
(Arnold Malkan & Co., Inc.) $825,000
Lido Corp. .... **Common**
(Flomenhaft, Seidler & Co.) $273,000
Lincoln Liberty Life Insurance Co. .... **Common**
(Bache & Co., N. Y.) 200,000 shares
Lusk Corp. .... **Units**
(Burnham & Co.) 50 units
Marlene Industries Corp. .... **Common**
(Bernard M. Kahn & Co., Inc.) $1,575,000
Mon-Dak Feed Lot, Inc. .... **Common**
(Wilson, Ehli, Demos, Bailey & Co.) $450,000
Murray Magnetics Corp. .... **Common**
(Amos Treat & Co., Inc.) $900,000
National Semiconductor Corp. .... **Capital Stock**
(Lee Higginson Corp.) 75,000 shares
North Carolina Natural Gas Corp. .... **Bonds**
(Kidder, Peadbody & Co.) $2,250,000
Orbit Industries, Inc. .... **Common**
(Hodgdon & Co., Inc.) $500,000
Pakco Management & Development Co. .... **Common**
(Woodcock, Moyer, Fricke & French, Inc.) $3,410,000
Pictorial Production Inc. .... **Common**
(C. E. Unterberg, Towbin Co.) $1,491,780
Red Wing Fiberglass Products, Inc. .... **Common**
(York & Mavroulis) $299,000
Regal Homes, Inc. .... **Capital**
(J. J. B. Hilliard & Sons) $612,000
Saegertown Glasseals, Inc. .... **Common**
(Carl M. Loeb, Rhoades & Co.) 210,500 shares
Sexton (John) & Co. .... **Common**
(Hornblower & Weeks) 70,000 shares
Sierra Capital Co. .... **Capital**
(C. E. Unterberg, Towbin Co.) 1,000,000 shares
Superior Industries Corp. .... **Common**
(Brand, Grumet & Seigel, Inc.) $500,000
Susan Crane Packaging, Inc. .... **Common**
(C. E. Unterberg, Towbin Co.) 150,000 shares
Tower Communications Co. .... **Common**
(C. E. Unterberg, Towbin Co.) 125,000 shares
Transcontinental Investing Corp. .... **Debentures**
(Lee Higginson Corp.) $10,000,000
Wards Co., Inc. .... **Common**
(Stein Bros. & Boyce) 110,000 shares
Westland Capital Corp. .... **Common**
(Bear, Stearns & Co.) $10,840,500

November 14 (Tuesday)
Carolina Power & Light Co. .... **Common**
(Merrill Lynch, Pierce, Fenner & Smith Inc. and R. S. Dickson & Co., Inc.) 150,000 shares
Columbus & Southern Ohio Electric Co. .... **Common**
(Dillon, Read & Co., Inc. and Ohio Co.) 148,640 shares
Fram Corp. .... **Common**
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 50,000 shares
Rochester Gas & Electric Corp. .... **Bonds**
(Bids 11 a. m. EST) $15,000,000
Southern Railway Co. .... **Equip. Trust Ctfs.**
(Bids to be received) $4,200,000
Wisconsin Michigan Power Co. .... **Bonds**
(Bids to be received) $4,000,000

November 15 (Wednesday)
Acro Electronic Products Co. .... **Common**
(Roth & Co., Inc.) $400,000
Consolidated Chemical & Paint Corp. .... **Units**
(Armstrong & Co. and L. C. Wegard & Co.) $550,000
Continental Baking Co. .... **Debentures**
(Offering to stockholders—underwritten by Wertheim & Co., Lehman Brothers and Equitable Securities Corp.) $13,200,000
Dallas Power & Light Co. .... **Preferred**
(Bids 11 a. m. EST) $10,000,000
Emertron, Inc. .... **Common**
(Offering to stockholders—underwritten by F. Eberstadt & Co.) 320,000 shares
Knape & Vogt Manufacturing Co. .... **Common**
(Glore, Forgan & Co.) 263,750 shares
Marks Poralized Corp. .... **Common**
(Ross, Lyon & Co., Inc.; Glass & Ross, Inc. and Globus, Inc.) 95,000 shares
Pacific Northwest Bell Telephone Co. .... **Debentures**
(Bids 11 a. m. EST) $50,000,000

November 16 (Thursday)
Carolina Power & Light Co. .... **Bonds**
(Bids to be received) $25,000,000

November 20 (Monday)
Agency Tile Industries, Inc. .... **Common**
(International Services Corp.) $300,000
Airtronics International Corp. of Florida .... **Common**
(Stein Bros. & Boyce and Vickers McPherson & Warwick, Inc.) 199,000 shares
California Real Estate Investors .... **Ben. Int.**
(Harnack, Gardner & Co.) $10,000,000
Electronics Discovery Corp. .... **Common**
(Globus, Inc.) $150,000
Executive House, Inc. .... **Units**
(Bear, Stearns & Co. and Straus, Blosser & McDowell Co.) 200,000 units
Hoffman International Corp. .... **Debentures**
(Offering to stockholders underwritten by J. R. Williston & Beane) $1,890,700
Kulicke & Soffa Manufacturing Co. .... **Common**
(Marron, Sloss & Co., Inc.) 122,980 shares
Lincoln Fund, Inc. .... **Common**
(Horizon Management Corp.) 951,799 shares
Lunar Enterprises, Inc. .... **Common**
(Ehrlich, Irwin & Co., Inc.) $718,750
National Bowling Lanes, Inc. .... **Capital**
(Edward Lewis Co., Inc.) $825,000
Originala Inc. .... **Common**
(Globus, Inc. and Divine & Fishman, Inc.) $1,387,500
Pako Corp. .... **Common**
(Paine, Webber, Jackson & Curtis) 150,000 shares
Rocket Power, Inc. .... **Common**
(Paine, Webber, Jackson & Curtis) 200,000 shares
Space Age Materials Corp. .... **Common**
(Manufacturers Securities Corp.) $300,000
Union Title Co. .... **Capital**
(No underwriting) $1,125,000
Valley Forge Products, Inc. .... **Capital**
(Herzfeld & Stern) 120,000 shares
Western Semiconductors, Inc. .... **Capital**
(Currier & Carlsen, Inc.) $300,000

November 21 (Tuesday)
Consolidated Edison Co. of New York, Inc. .... **Bonds**
(Bids 11 a.m. EDT) $60,000,000
Gibraltar Financial Corp. of California .... **Debens.**
(White, Weld & Co. and Dean Witter & Co.) $5,500,000
Valley Gas Production, Inc. .... **Common**
(White, Weld & Co.) 194,000 shares

November 27 (Monday)
Community Charge Plan .... **Units**
(Troster, Singer & Co.) 36,000 units
Hanna (M. A.) Co. .... **Common**
(First Boston Corp.) 740,000 shares
Meehan-Tooker Co., Inc. .... **Common**
(Harry Odzer Co. and Bruno-Lenchner, Inc.) $500,000
Realty Equities Corp. of New York .... **Units**
(Offering to stockholders—underwritten by Sutro Bros. & Co.) $1,675,800
Sav-Mor Oil Corp. .... **Common**
(Armstrong & Co. Inc.) $230,000
Waterman Steamship Corp. .... **Common**
(Shields & Co., Inc.) 1,743,000 shares
Windsor (Key), Inc. .... **Class A**
(Lee Higginson Corp.) 200,000 shares

November 28 (Tuesday)
Rantec Corp. .... **Common**
(Blyth & Co., Inc.) 100,000 shares

November 29 (Wednesday)
Southern Pacific Co. .... **Equip. Trust Ctfs.**
(Bids noon EST) $7,905,000
Swift Homes, Inc. .... **Common**
(Eastman Dillon, Union Securities & Co.) 240,000 shares

December 4 (Monday)
Clute (Francis H.) & Son, Inc. .... **Common**
(Stone, Altman & Co., Inc.) $1,500,000
Electro-Mec Instrument Corp. .... **Common**
(Sterling, Grace & Co.) $1,058,880
Missile Systems Corp. .... **Common**
(George, O'Neill & Co., Inc.) 140,000 shares
Nalley's, Inc. .... **Common**
(Blyth & Co., Inc.) 210,000 shares
Paramount Foam Industries .... **Common**
(Fialkov & Co., Inc. and Stanley Heller & Co.) 137,500 shares

December 5 (Tuesday)
Sel-Rex Corp. .... **Common**
(Eastman Dillon, Union Securities & Co.) 200,000 shares
Super Valu Stores, Inc. .... **Common**
(White, Weld & Co., Inc. and J. M. Dain & Co., Inc.) 115,000 shares

December 11 (Monday)
General Telephone Co. of California .... **Bonds**
(Bids to be received) $20,000,000

December 12 (Tuesday)
Tip Top Products Co. .... **Class B**
(White, Weld & Co., Inc. and First Nebraska Securities Corp.) 130,222 shares
Tip Top Products Co. .... **Class A**
(White, Weld & Co., Inc. and First Nebraska Securities Corp. 121,778 shares

December 14 (Thursday)
Science Research Associates, Inc. .... **Common**
(White, Weld & Co., Inc. and William Blair & Co.) 150,040 shares

December 18 (Monday)
Mercury Photo Corp. .... **Class A**
(General Securities Co.; S. Kasdan & Co., Inc. and Dual Planning Corp.) $500,000

December 20 (Wednesday)
Rubber & Fibre Chemical Corp. .... **Common**
(Armstrong & Co., Inc.) $600,000

January 4, 1962 (Thursday)
Gluckin (Wm.) Co., Ltd. .... **Common**
(Globus, Inc.) $1,750,000

January 9, 1962 (Tuesday)
New York Telephone Co. .... **Bonds**
(Bids to be received) $60,000,000

March 5, 1962 (Monday)
West Penn Power Co. .... **Bonds**
(Bids to be received) $25,000,000

drive-in movie theatre, building renovations and general corporate purposes. **Address**—Santurce, Puerto Rico. **Underwriter**—J. R. Williston & Beane, N. Y.

• Community Charge Plan (11/27-12/1)
Sept. 22, 1961 filed $3,600,000 of 6% subordinated debentures due 1976 (with attached warrants to purchase 72,000 common shares) and 216,000 common, to be offered in units consisting of a $100 debenture (and a warrant to purchase two shares) and six common shares. **Price**—By amendment. **Business**—The purchase at a discount from merchant-members, their accounts receivable arising from customers who hold credit cards issued by these members. **Proceeds**—To repay debt and increase working capital. **Office**—10 Banta Place, Hackensack, N. J. **Underwriter**—Troster, Singer & Co., N. Y.

• Comptometer Corp.
March 31, 1961 filed 160,401 shares of common stock to be offered for subscription by holders of outstanding common stock; 6½% subordinated convertible sinking fund debentures, series A, due 1970; and option agreements for the purchase of common shares. Warrants will be issued on the basis of one right for each common share held on the record date, one right for each share issuable upon conversion of a series A debenture, as if such debenture had been converted, and one right for each share issuable under the option agreements. The warrants will provide that one new share will be issuable for each eight rights tendered. **Price**—To be supplied by amendment. **Business**—The company's activities are organized on a divisional basis—Business Machines, Communications and Electronics, Business Forms, Burke Golf and Worthington Golf Ball Divisions. **Proceeds**—For the repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named. **Note** — Stockholders vote Oct. 27 on merging with Victor Adding Machine Co., which will then change its name to Victor Comptometer Corp. If merger becomes effecitve, this registration will be withdrawn.

Computron Corp.
Sept. 15, 1961 filed 500,000 common. **Price**—$1.15. **Business**—Research, development, design and production of electronic automation devices. **Proceeds**—For equipment, research and development and working capital. **Office**—9330 James Ave., South, Minneapolis. **Underwriter**—Brandtjen & Bayliss, Inc., St. Paul, Minn.

★ Concors Supply Co., Inc.
Oct. 19, 1961 filed 103,000 class A common. **Price**—$4. **Business**—Sale of food service and kitchen equipment. **Proceeds** — For equipment, debt repayment and other corporate purposes. **Office**—110 "A" St., Wilmington, Del. **Underwriter**—Roth & Co., Inc., Philadelphia.

Consolidated Aerosol Corp.
Sept. 29, 1961 ("Reg. A") 70,000 common. **Price**—$3. **Business**—Compounds and packages cosmetics, household pharmaceutical and industrial products. **Proceeds**—For debt repayment, equipment and working capital. **Office**—107 Sylvester St., Westbury, N. Y. **Underwriter**—J. E. Bayard & Co., Inc., 80 Wall St., New York City.

Consolidated Bowling Corp.
Sept. 28, 1961 filed 200,000 common. **Price**—By amendment. **Business**—Operation of bowling centers. **Proceeds**—For expansion and working capital. **Office**—880 Military Rd., Niagara Falls, N. Y. **Underwriter**—Doolittle & Co., Buffalo, N. Y.

Consolidated Chemical & Paint Corp. (11/15)
Aug. 29, 1961 filed $275,000 of 6½% subordinated convertible debentures due 1968 and 68,750 common to be offered in units consisting of $100 of debentures and 25 common. **Price**—$200 per unit. **Business**—The company manufactures from oil, chemicals and pigments, diverse basic paint lines. **Proceeds**—For retirement of outstanding 6% debentures, repayment of debt and working capital. **Office**—456 Driggs Ave., Brooklyn, N. Y. **Underwriters**—Armstrong & Co., N. Y., and L. C. Wegard & Co., Trenton, N. J.

★ Consolidated Edison Co. of New York, Inc. (11/21)
Oct. 20, 1961 filed $60,000,000 of first and refunding mortgage bonds due Nov. 1, 1991. **Office**—4 Irving Pl., N. Y. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Nov. 31, 1961 at 11 a.m. (EST). **Information Meeting**—Nov. 15 (10 a.m. EST) at the company's office.

Consolidated Production Corp.
May 26, 1961 filed 125,000 shares of common stock. **Price**—$15. **Business**—Company buys and manages fractional interests in producing oil and gas properties. **Proceeds**—For investment, and working capital. **Office**—14 North Robinson, Oklahoma City, Okla. **Underwriter**—Shearson, Hammill & Co., New York City (managing). **Note**—This company formerly was named Cador Production Corp. **Offering**—Temporarily postponed.

Consolidated Vending Corp.
Aug. 29, 1961 filed $150,000 of 6% debentures due 1971 and 50,000 common to be offered in units each consisting of $150 of debentures and 50 common. **Price**—$400 per unit. **Business**—The operation of vending machines. **Proceeds** — For repayment of loans, new equipment and working capital. **Office** — 129 S. State St., Dover, Del. **Underwriter**—William, David & Motti, Inc., N. Y. C.

• Consumers Utilities Corp. (11/3)
July 27, 1961 filed 302,000 common to be offered for subscription by stockholders of Mobilife Corp., of Bradenton, Fla., parent company, on the basis of 3 Consumers shares for each 5 Mobilife shares held. **Price**—By amendment. **Business**—Acquisition, construction and operation of water-treatment and sewage-disposal plants in suburban areas of Florida. **Proceeds**—For the selling stockholder (Mobilife Corp.). **Office**—Sarasota, Fla. **Underwriter**—Golkin, Bomback & Co., N. Y.

Continental Baking Co. (11/15)
Oct. 10, 1961 filed $13,200,000 of subord. conv. debentures due 1983 to be offered for subscription by stockholders on the basis of $100 of debentures for each 15 shares held. **Price**—By amendment. **Business**—Baking and selling of bread, cakes and related products. **Proceeds**—For debt repayment and construction. **Address**—P. O. Box 731, Rye, N. Y. **Underwriters**—Wertheim & Co., Lehman Brothers and Equitable Securities Corp., N. Y.

• Continental Leasing Corp. (11/13-17)
June 19, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For purchase of new automobiles, advertising and promotion, and working capital. **Office**—527 Broad St., Sewickley, Pa. **Underwriter**—Cambirdge Securities, Inc., N. Y.

Continental Real Estate Investment Trust
Aug. 3, 1961 filed 300,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate. **Proceeds**—For investment. **Office**—530 St. Paul Place, Baltimore. **Underwriter**—R. Baruch & Co., Inc., Washington, D. C. (mgr.).

• Continental Vending Machine Corp. (11/13-17)
Aug. 11, 1961 filed $5,052,700 of 6% convertible subordinated debentures due 1976, to be offered for subscription by stockholders on the basis of $100 of debentures for each 80 common shares held. **Price**—By amendment. **Business**—The manufacturing of vending machines. **Proceeds**—For repayment of loans and working capital. **Office** — 956 Brush Hollow Road, Westbury, L. I., N. Y. **Underwriter**—Hardy & Co., N. Y.

★ Control Dynamics, Inc.
Oct. 24, 1961 filed 500,000 common. **Price**—$1.15. **Business**—Development and production of electronic testing and training devices. **Proceeds** — For expansion and working capital. **Office**—9340 James Ave., S., Minneapolis. **Underwriter**—Brandtjen & Bayliss, Inc., St. Paul.

• Control Lease Systems, Inc. (11/6-10)
July 21, 1961 ("Reg. A") 225,000 common. **Price**—$1.15. **Proceeds**—For equipment, research and development and capital expenditures. **Office**—3386 Brownlow Ave., St. Louis Park, Minn. **Underwriters**—M. H. Bishop & Co., and J. P. Penn & Co., Inc., Minneapolis.

• Cooke Engineering Co.
Sept. 12, 1961 filed 32,000 common. **Price**—$11. **Business**—The manufacture of electronic products and the furnishing of engineering services. **Proceeds**—For equipment, new products, sales promotion and working capital. **Office**—735 N. St. Asaph St., Alexandria, Va. **Underwriter**—Jones, Kreeger & Co., Washington, D. C. **Note**—This registration was temporarily postponed.

Corrigan Communications, Inc.
Sept. 28, 1961 filed 375,000 common. **Price**—$2. **Business**—Development and sale of tutorial electronics communications systems for use in individual class rooms. **Proceeds**—To repay loans, purchase machinery, and increase working capital. **Office**—1111 E. Ash Ave., Fullerton, Calif. **Underwriter**—D. E. Liederman & Co., Inc., N. Y. and Mitchum, Jones & Templeton, Los Angeles. **Offering**—Expected in early December.

• Cosmetically Yours, Inc. (11/6-10)
Aug. 23, 1961 filed 42,500 common. **Price**—$4. **Business**—The manufacture of cosmetics. **Proceeds**—For repayment of a loan, advertising, equipment, inventory, research and development and working capital. **Office**—15 Clinton St., Yonkers, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., N. Y.

Cosnat Record Distributing Corp.
May 26, 1961 filed 150,000 shares of common stock, of which 105,556 shares are to be offered for public sale by the company and 44,444 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of phonograph records. **Proceeds**—For the repayment of debt, and working capital. **Office**—315 W. 47th St., N. Y. **Underwriter**—Amos Treat & Co., N. Y. **Offering**—Expected in late November.

Coyle's Voting Machine Co.
Aug. 31, 1961 ("Reg. A") 10,000 common. **Price**—$14.75. **Business**—The sale of punch card type voting machines. **Office**—830 High St., Hamilton, O. **Underwriter**—John A. Kemper & Co., Lima, O.

Cramer Electronics, Inc.
July 27, 1961 filed 150,000 common shares, of which 107,250 shares are to be offered by the company and 42,750 shares by the stockholders. **Price**—By amendment. **Business**—The distribution of electronic components and equipment. **Proceeds**—For repayment of loans, inventory and working capital. **Office**—811 Boylston St., Boston. **Underwriter**—Carl M. Loeb, Rhoades & Co., N. Y. (mgr.)

Creative Electronics, Inc.
Aug. 29, 1961 filed 75,000 class A. **Price** — By amendment. **Business**—The manufacture of audio reproduction devices, associated products and electrical transformers. **Proceeds** — For expansion, inventory, working capital and general corporate purposes. **Office**—4008 S. Michigan Ave., Chicago. **Underwriter**—None.

• Crowell Business Machines, Inc. (11/6-10)
Aug. 1, 1961 ("Reg. A") 100,000 common shares (par 50 cents). **Price**—$3. **Proceeds**—For repayment of loans, machinery, leasehold improvements, advertising and working capital. **Office**—7451 Coldwater Canyon Avenue, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

• Crossway Motor Hotels, Inc. (11/13-17)
Aug. 4, 1961 filed 70,000 common shares. **Price**—$5. **Business**—The operation of a motor hotel chain. **Proceeds**—For acquisition, expansion and the repayment of debt. **Office**—54 Tarrytown Rd., White Plains, N. Y. **Underwriter**—Candee & Co., New York.

Cryplex Industries, Inc.
Oct. 10, 1961 filed 80,000 common. **Price**—$3.75. **Business** — Manufactures plastic jewelry, dress accessories and novelties. **Proceeds**—For product development, moving expenses and working capital. **Office**—37 E. 18th St., N. Y. **Underwriter**—Herbert Young & Co., Inc., N. Y.

Dale Systems, Inc.
Aug. 9, 1961 filed 100,000 common. **Price**—$3.50. **Business**—A shopping service which checks the efficiency of retail sales employees. **Proceeds**—Expansion and general corporate purposes. **Office**—1790 B'way, N. Y. **Underwriter**—Theodore Arrin & Co., Inc., N. Y. **Note**—This offering has been temporarily postponed.

Dallas Power & Light Co. (11/15)
Oct. 3, 1961 filed 100,000 cum. preferred shares. **Proceeds**—For debt repayment and construction. **Office**—1506 Commerce St., Dallas, Tex. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.-Equitable Securities Corp. (jointly); Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blyth & Co., Inc.; Harriman Ripley & Co., Inc.-Kidder, Peabody & Co. (jointly); First Boston Corp. **Bids**—Expected Nov. 15 at 11 a.m. (EST). **Information Meeting**—Nov. 13 (11 a.m. EST) at 2 Rector St., N. Y. (Room 240).

Data-Design Laboratories, Inc.
Oct. 9, 1961 filed 100,000 capital shares. **Price**—By amendment. **Business**—Publishing of technical reports and manuals covering electronic equipment. **Proceeds**—For debt repayment and working capital. **Office**—545 E. California St., Ontario, Calif. **Underwriter**—Morgan & Co., Los Angeles.

Delaware Barrel & Drum Co., Inc.
Sept. 26, 1961 filed 100,000 common. **Price**—By amendment. **Business**—Manufacture of plastic shipping containers and tanks. **Proceeds**—For research and development and other corporate purposes. **Office**—Eden Park Gardens, Wilmington, Del. **Underwriter**—G. H. Walker & Co., N. Y.

Delford Industries, Inc.
Sept. 28, 1961 filed 95,000 common. **Price**—$3.50. **Business**—Manufacture of precision rubber extrusions. **Proceeds**—Plant expansion, equipment, debt repayment and working capital. **Office**—82-88 Washington St., Middletown, N. Y. **Underwriter**—I. R. E. Investors Corp., Levittown, N. Y.

• Delta Capital Corp.
Aug. 9, 1961 filed 500,000 common shares. **Price** — By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—610 National Bank of Commerce Building, New Orleans. **Underwriters**—Blair & Co., New York and Howard, Weil, Labouisse, Friedrichs & Co., New Orleans (managing). **Offering**—Expected in early 1962.

Delta Venture Capital Corp.
July 13, 1961 filed 520,000 common shares. **Price**—$3.30. **Business**—An investment company. **Office**—1011 N. Hill St., Hopkins, Minn. **Underwriter**—None.

Demarco Business Forms Inc.
Sept. 26, 1961 filed 100,000 class A common (with attached warrants to purchase an additional 50,000 shares). **Price**—By amendment. **Business**—Manufacture of custom-made printed business forms. **Proceeds**—Expansion, payment of taxes, and working capital. **Office**—3747 Ridge Ave., Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia.

Dennis Real Estate Investment Trust
July 24, 1961 filed 100,000 shares of beneficial interest. **Price**—$100. **Business**—A real estate investment company. **Office** — 90 State Street, Albany, N. Y. **Underwriter**—None.

• Dero Research & Development Corp.
Aug. 24, 1961 ("Reg. A") 54,000 common. **Price**—$2.40. **Business**—The manufacture of FM Deviation Monitors. **Proceeds**—For development, expansion, advertising and working capital. **Office** — Broadway and Park Ave., Huntington, N. Y. **Underwriter**—James Co., N. Y. **Offering**—Expected in early November.

Deuterium Corp.
Sept. 28, 1961 filed 140,000 common with attached warrants to purchase an additional 140,000 shares to be offered for subscription by stockholders in units (of one share and one warrant) on the basis of 3 units for each 5% preferred share held, 2 units for each 5% preferred A stock held and one unit for each 10 class B shares held. **Price**—$20 per unit. **Business**—Company plans to manufacture and utilize all kinds of chemical materials. **Proceeds**—For start-up expenses for a laboratory and small plant. **Office**—360 Lexington Ave., New York. **Underwriter**—None.

District Wholesale Drug Corp. of Washington
Sept. 19, 1961 filed $500,000 of 6% convertible subord. sinking fund debentures due 1976, also 100,000 class A common. **Price** — Debentures — At par. Common — $4. **Business**—The sale of drug products to retail stores in Washington, Maryland and Virginia. **Proceeds**—For the repayment of debt, and working capital. **Office**—52-60 O St., N. W., Washington, D. C. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Diversified Small Business Investment Corp.
Sept. 27, 1961 filed 600,000 common. **Price**—$5. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—214 Engle St., Englewood, N. J. **Underwriters**—Lieberbaum & Co. and Morris Cohon & Co., N. Y. **Offering**—Expected in mid-Dec.

Dixie Dinettes, Inc.
Sept. 28, 1961 filed 144,000 common. **Price**—$5. **Business**—Manufacture of tables and chairs for use in kitchens and dinettes. **Proceeds**—For selling stockhold-

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ers. **Office**—Dabney Rd., Richmond, Va. **Underwriter**—Rubin, Rennert & Co., Inc.

Dolphin-Miller Mines Ltd.
Oct. 3, 1961 filed 1,600,000 capital shares, of which 1,-200,000 shares are to be offered by the company and 400,000 shares by stockholders. **Price**—50c. **Business**—The exploration and production of ores. **Proceeds**—For salaries and general corporate purposes. **Office** — 25 Adelaide St., W., Toronto, Canada. **Underwriter**—Brewis & White Ltd., Toronto.

Don Mills, Inc.
Sept. 27, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Financing of shipments of business machines. **Proceeds**—General corporate purposes. **Office**—Red Rock Bldg., Atlanta, Ga. **Underwriter**—Stan-Bee & Co., Washington, D. C.

★ **Dougherty Brothers Co.**
Oct. 24, 1961 filed 120,000 common. **Price**—By amendment. **Business**—Manufacture of medicine droppers and components and glass cartridges for the pharmaceutical industry. **Proceeds** — For debt repayment and general corporate purposes. **Address**—Buena, N. J. **Underwriters**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia.

● **Dressen-Barnes Electronics Corp. (11/1)**
Aug. 14, 1961 filed 100,000 capital shares, of which 75,000 are to be offered by the company and 25,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of power supplies and automatic label dispensers. **Proceeds**—Repayment of loans, and working capital. **Office**—250 N. Vinedo St., Pasadena, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles.

Dunlap & Associates, Inc. (10/31)
June 30, 1961 filed 75,000 common shares, of which 60,000 will be offered by the company and 15,000 by stockholders. **Price**—By amendment. **Business**—The company provides scientific research, engineering consulting and development services to the Armed Services, U. S. Government agencies and private industry. **Proceeds**—For purchase of building sites, expansion, and working capital. **Office**—429 Atlantic St., Stamford, Conn. **Underwriter**—Dominick & Dominick, Inc., New York.

Dunlap Electronics
Sept. 27, 1961 filed 80,000 common. **Price**—By amendment. **Business**—Distribution of electronic parts made by other firms. **Proceeds**—For a new subsidiary, repayment of debt and working capital. **Office**—27 S. Grant St., Stockton, Calif. **Underwriter**—Birr & Co., Inc., San Francisco.

Dynamic Toy, Inc. (11/6-10)
June 30, 1961 ("Reg. A") 81,000 common. **Price** — $3. **Business**—Manufacture of toys. **Proceeds**—Advertising, development of new products, expansion and working capital. **Address**—109 Ainslie St., Brooklyn, N. Y. **Underwriter**—Hancock Securities Corp., N. Y.

EMAC Data Processing Corp.
Sept. 8, 1961 filed 100,000 common. **Price**—$2.50. **Business**—The company conducts an electronic data processing service. **Proceeds**—Rental of additional data processing equipment, sales promotion, salaries, rent, furniture and working capital. **Office**—46-36 53rd Ave., Maspeth, N. Y. **Underwriter**—M. W. Janis Co., Inc., N. Y. **Offering**—Expected in early November.

★ **Ealing Corp.**
Oct. 17, 1961 ("Reg. A") 140,000 common. **Price**—$1.50. **Business**—Importing and direct mail selling of scientific instruments. **Proceeds**—For debt repayment and general corporate purposes. **Office** — 2225 Massachusetts Ave., Cambridge, Mass. **Underwriter**—None.

● **Eastern Properties Improvement Corp. (11/13-17)**
Aug. 22, 1961 filed $1,500,000 of subordinated debentures due 1981 and 250,000 common shares. **Price**—For debentures, $1,000; for stock, $10. **Business**—General real estate. **Proceeds**—For the acquisition and development of real properties, repayment of debt and engineering, etc. **Office**—10 E. 40th St., New York. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia (managing).

Economy Water Conditioners of Canada Ltd.
Sept. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Sale of water conditioning units to home owners. **Proceeds**—Rental of units, new distributorships and expansion. **Office**—36 Densley Ave., Toronto. **Underwriter**—S. I. Emrich Associates, Inc., N. Y.

● **Electra International, Ltd. (10/30-11/3)**
May 5, 1961 filed 70,000 capital shares. **Price**—To be supplied by amendment. **Business**—Manufacture of products in the automotive ignition field for sale outside the United States. **Proceeds**—For research, and development and working capital. **Office**—222 Park Ave., South, N. Y. **Underwriter**—Ezra Kureen Co., N. Y.

● **Electra-Tronics, Inc. (10/30-31)**
Aug. 14, 1961 ("Reg. A") 60,000 common (par 75c). **Price**—$3. **Business**—The company is a military subcontractor in the electronics field. **Proceeds**—For the repayment of loans, inventory, expansion and working capital. **Office**—724 King St., Cocoa, Fla. **Underwriter**—Jay Morton & Co., Inc., Sarasota, and Bruce-Atkind & Co., Inc., N. Y.

Electro-Mec Instrument Corp. (12/4-8)
Sept. 15, 1961 filed 176,480 common. **Price**—$6. **Business**—The design, manufacture and sale of potentiometers, digitometers and goniometers used in airborne computing devices. **Proceeds**—For the selling stockholder, Waltham Precision Instrument Co., Inc. **Office**—47-51 33rd St., Long Island City, N. Y. **Underwriter**—Sterling, Grace & Co., N. Y. (mgr.).

Electro-Med, Inc.
July 17, 1961 filed $540,000 of convertible subordinated debentures due 1971. **Price**—By amendment. **Business**—The manufacture of medical-electronic instruments. **Proceeds** — For working capital. **Office** — 4748 France Avenue, N. Minneapolis. **Underwriter**—Craig-Hallum, Kinnard, Inc., Minneapolis (managing).

Electro-Miniatures Corp. (11/6-10)
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of electronic and electro-mechanical devices for the aircraft, radar, missile and rocket industries. **Proceeds**—For the selling stockholders. **Office**—600 Huyler St., Hackensack, N. J. **Underwriter**—Burnham & Co., New York.

Electro-Tec Corp.
July 28, 1961 filed 91,000 common shares (par 10 cents). **Price**—By amendment. **Business**—The manufacture of slip rings and brush block assemblies, switching devices, relays, and precious metal products. **Proceeds**—For the selling stockholders. **Office** — 10 Romanelli Ave., South Hackensack, N. J. **Underwriter**—Harriman Ripley & Co., Inc., N. Y. (mgr.). **Offering**—Expected in December.

★ **Electrocomp Corp.**
Oct. 17, 1961 ("Reg. A") 85,000 common. **Price**—$3. **Business**—Furnishes consulting and contractual data processing machine services. **Proceeds**—General corporate purposes. **Office** — 115 E. Jefferson Street, Orlando, Fla. **Underwriter**—None.

Electronic Communications, Inc. (11/13-17)
Sept. 22, 1961 filed 150,000 common. **Price**—By amendment. **Business**—Development and manufacture of electronic communication systems and equipment. **Proceeds**—General corporate purposes. **Office**—1501 72nd St. N., St. Petersburg, Fla. **Underwriter**—Laird & Co., Corp., Wilmington, Del.

Electronic International, Inc. (11/13-17)
Sept. 1, 1961 ("Reg. A") 130,000 common. **Price**—$2. **Business**—The manufacture of precision instruments. **Proceeds**—For equipment and working capital. **Office**—176 E. 15th St., Paterson, N. J.—**Underwriter**—Theodore Arrin & Co., Inc., N. Y.

Electronics Discovery Corp. (11/20-24)
July 26, 1961 filed 150,000 common shares. **Price**—$1. **Business** — The company plans to develop a device to make non-conductors into electrical conductors by the addition of chemicals. **Proceeds**—For research and development. **Office** — 1100 Shames Dr., Westbury, L .I., N. Y. **Underwriter**—Globus, Inc., N. Y.

Elmar Electronics Inc.
Sept. 29, 1961 filed 200,000 common, of which 100,000 will be sold by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—Distribution of electronic parts and equipment. **Proceeds**—Debt repayment, expansion and working capital. **Office**—140 Eleventh St., Oakland, Calif. **Underwriter**—Schwabacher & Co., San Francisco.

● **Emertron, Inc. (11/15)**
Oct. 6, 1961 filed 320,000 common to be offered for subscription by stockholders of Emerson Radio & Phonograph Corp., parent on the basis of one share of Emertron for each seven shares of Emerson. **Price**—By amendment. **Business**—Design and manufacture of electronic equipment for missiles and aircraft. **Proceeds**—General corporate purposes. **Office**—14th and Coles Sts., Jersey City, N. J. **Underwriter**—F. Eberstadt & Co., N. Y.

Empire Fund, Inc.
June 28, 1961 filed 1,250,000 shares of capital stock to be offered in exchange for blocks of designated securities. **Business**—A "centennial-type" fund which plans to offer a tax free exchange of its shares for blocks of corporate securities having a market value of $20,000 or more. **Office**—44 School Street, Boston, Mass. **Underwriter**—A. G. Becker & Co., Inc., Chicago. **Offering**—Expected in November.

Empire Life Insurance Co. of America
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

● **Empire Precision Components, Inc. (11/1)**
Aug. 29, 1961 ("Reg. A") 65,000 class A. **Price**—$4. **Business**—The manufacture of metal component parts for precision electronic connectors. **Proceeds**—For moving expenses, a new plant, equipment, repayment of loans and working capital. **Office**—574 President St., Brooklyn, N. Y. **Underwriter**—Ezra Kureen Co., N. Y.

Energy Components Corp. (11/13-17)
Sept. 1, 1961 ("Reg. A") 50,000 common. **Price**—$3.50. **Business**—Wholesale distribution of electronic components. **Proceeds**—For expansion, advertising and promotion, acquisition of a plant and equipment and other corporate purposes. **Office**—1626 Nostrand Ave., Brooklyn. **Underwriter**—Albion Securities Co., Inc., N. Y.

Eon Corp.
Oct. 2, 1961 filed 133,333 common. **Price**—By amendment. **Business**—Manufacture of equipment for radiation detection and measurements. **Proceeds**—For equipment, leasehold improvements and working capital. **Office**—175 Pearl St., Brooklyn. **Underwriter**—L. H. Rothchild & Co., N. Y.

● **Executive Equipment Corp. (11/3)**
Aug. 1, 1961 filed 100,000 common. **Price**—$4. **Business**—Long-term leasing of automobiles. **Proceeds**—Purchase of automobiles, establishment of a trucking division and a sales office, and for working capital. **Office** — 790 Northern Blvd., Great Neck, N. Y. **Underwriters** — Reich & Co., and Jacques Coe & Co., N. Y.

Executive House, Inc. (11/20-24)
Aug. 29, 1961 filed $2,000,000 of 6% subordinated sinking fund debentures due 1971 and 400,000 common to be offered in 200,000 units, each consisting of a $10 debenture (with 2 warrants) and two common. **Price**—By amendment. **Business**—The operation of hotels. **Proceeds**—For investment in a subsidiary and realty acquisitions. **Office**—71 E. Wacker Dr., Chicago. **Underwriters** — Bear, Stearns & Co., N. Y. C. and Straus, Blosser & McDowell Co., Chicago (mgrs.).

FMC Corp.
Sept. 5, 1961 filed $30,000,000 convertible subordinated debentures due 1981. **Price**—By amendment. **Business**—The manufacture of industrial and agricultural chemical equipment. **Proceeds**—For general corporate purposes. **Office**—1105 Coleman Ave., San Jose, Calif. **Underwriter**—Kidder, Peabody & Co., N. Y. **Offering**—In early Nov.

● **FM-Stereo Guide, Inc. (11/13-17)**
Aug. 4, 1961 "Reg. A" 50,000 common shares. **Price**—$6. **Business**—The company plans to publish a national magazine featuring detailed FM radio program listings, reviews, interviews, etc. **Proceeds**—For general corporate purposes. **Office**—1711 Walnut Street, Philadelphia. **Underwriter** — Valley Forge Securities Co., Inc., New York City and Philadelphia.

● **Family Circle Associates, Inc. (11/13-17)**
Aug. 30, 1961 filed 50,000 class A common. **Price**—$7. **Business**—The operation of retail discount department stores. **Proceeds**—For repayment of loans and working capital. **Office**—30 Main St., Keyport, N. J. **Underwriter**—Russell & Saxe, Inc., N. Y.

Family Finance Corp. (10/30-11/3)
Sept. 19, 1961 filed $25,000,000 principal amount of senior debentures due Oct. 15, 1981. **Price**—By amendment. **Business**—The operation of a small loan, discount loan and sales financing business and the writing of credit life and other types of insurance. **Proceeds**—For working capital. **Office**—201 W. 14th Street, Wilmington, Del. **Underwriter**—Goldman, Sachs & Co., N. Y.

Faradyne Electronics Corp.
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for working capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co. **Note**—July 11, the SEC instituted "Stop Order" proceedings challenging the accuracy and adequacy of this statement.

Fashion Homes Inc. (11/6-10)
July 18, 1961 filed $600,000 of subordinated debentures due 1971; 100,000 common shares and 100,000 five-year warrants (exercisable at from $4 to $8 per share) to be offered for public sale in units of one $60 debenture, 10 common shares and 10 warrants. The registration also covers 40,800 common shares. **Price**—$100 per unit, and $6 per share. **Business**—The construction of shell homes. **Proceeds**—For redemption of 8% debentures; advances to company's subsidiary; repayment of loans; advertising and promotion, and other corporate purposes. **Office**—1711 N. Glenstone, Springfield, Mo. **Underwriters** — Globus, Inc. and Ross, Lyon & Co., Inc., New York.

Fashion Industries, Inc.
Sept. 26, 1961 filed 95,600 common, of which 68,000 will be sold by the company and 27,600 by stockholders. **Price**—$4.75. **Business**—Manufacture and sale of women's apparel. **Proceeds**—For repayment of debt, purchase of equipment, taxes, and working capital. **Office**—Gauthier St., Tuskegee, Ala. **Underwriter**—Wright, Redden, Myers & Bessell, Inc., Washington, D. C.

Fastline Inc.
Sept. 28, 1961 filed $400,000 of 6% conv. subord. debentures due 1971 and 40,000 common shares to be offered publicly in units of one $500 debenture and 50 common. **Price**—$575 per unit. **Business**—Manufacture of concealed zippers. **Proceeds**—Debt repayment, advertising and working capital. **Office**—8 Washington Place, N. Y. **Underwriter**—G. Everett Parks & Co., Inc., N. Y.

● **Fidelity American Financial Corp.**
Oct. 3, 1961 filed 100,000 common. **Price**—$5. **Business**—Commercial finance company. **Proceeds** — General corporate purposes. **Office**—42 S. 15th St., Philadelphia. **Underwriter**—Netherlands Securities Co., Inc., N. Y. **Note**—Original announcement had inadvertently stated that the offering price was $3.

● **Fifth Avenue Cards, Inc.**
Sept. 28, 1961 filed 115,000 class A capital shares. **Price**—By amendment. **Business**—Operation of a chain of retail greeting card stores. **Proceeds**—Debt repayment, working capital and expansion. **Office**—18 W. 34th St., N. Y. **Underwriters**—Hardy & Co. and Filor, Bullard & Smyth, N. Y. **Offering**—Expected sometime in Dec.

First Federated Life Insurance Co.
Sept. 20, 1961 filed 10,000 capital shares to be offered for subscription by stockholders at the rate of one new share for each two held. **Price**—$35. **Proceeds**—To increase capital. **Office**—Munsey Bldg., Baltimore, Md. **Underwriter**—None.

First Midwest Capital Corp.
Sept. 28, 1961 filed 150,000 common. **Price**—By amendment. **Business**—A small business investment company, **Proceeds**—General corporate purposes. **Office**—512 Nicollet Ave., Minneapolis. **Underwriters**—Paine, Webber, Jackson & Curtis, N. Y., and Craig-Hallum, Kinnard, Inc., Minneapolis.

First National Realty & Construction Corp. (10/30-11/3)
Aug. 11, 1961 filed $3,000,000 of 6½% subordinated debentures due 1976 (with warrants attached). **Price**—By amendment. **Business** — The construction and management of real estate. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—630 Third Avenue, N. Y. **Underwriter**—H. Hentz & Co., N. Y. (mgr.)

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

• First Western Financial Corp. (11/6-10)
Aug. 23, 1961 filed 450,000 common, of which 100,000 shares are to be offered by the company and 350,000 shares by stockholders. **Price**—By amendment. **Business**—A holding company for a savings and loan association, an insurance agency, real estate and escrow agencies and an appraisal service. **Proceeds**—For repayment of a loan and general corporate purposes. **Office**—118 Las Vegas Blvd. S., Las Vegas, Nev. **Underwriter**—A. C. Allyn & Co., N. Y. (mgr.).

• Fleetwood Securities Corp. of America (10/30-11/3)
Aug. 8, 1961 filed 70,000 common shares, of which 56,000 shares are to be offered by the company and 14,000 shares by stockholders. **Price**—$10. **Business**—Distributor of Electronics Investment Corp., Contractual Plans and a broker-dealer registered with NASD. **Proceeds**—To increase net capital and for investment. **Office**—44 Wall St., N. Y. **Underwriter**—General Securities Co., Inc., N. Y.

★ Folrida Palm-Aire Corp.
Oct. 19, 1961 filed 463,000 common, of which 310,000 shares are to be offered for subscription by the stockholders on a 1-for-3 basis, and 153,000 shares will be sold to the public. **Price**—$2. **Business**—Purchase, development and sale of undeveloped real property and related activities. **Proceeds**—For debt repayment and general corporate purposes. **Office** — 1790 N. Federal Highway, Pompano Beach, Fla. **Underwriter**—Hardy & Co., N. Y.

Floyd Bennett Stores, Inc. (11/13-17)
Aug. 30, 1961 filed 100,000 common. **Price**—By amendment. **Business**—The operation of discount department stores. **Proceeds**—For repayment of loans and working capital. **Office**—300 W. Sunrise Highway, Valley Stream, N. Y. **Underwriters**—Goodkind, Neufeld, Jordon Co., Inc. and Richter & Co., N. Y. (mgrs.).

Folz Vending Co., Inc.
Sept. 26, 1961 filed 55,000 common. **Price**—$6. **Business**—The distribution of novelties, candy, etc. through vending machines. **Proceeds**—To repay loans, purchase machines, and increase working capital. **Office**—990 Long Beach Rd., Oceanside, N. Y. **Underwriter**—None.

Food Corp. of America
Oct. 5, 1961 filed 50,000 common. **Price**—$2.50. **Business**—The acquisition of enterprises engaged in the food processing industry. **Proceeds**—For repayment of debt and working capital. **Office**—1207 Foshay Tower, Minneapolis, Minn. **Underwriter**—None.

Foods Plus, Inc. (11/6-10)
Sept. 22, 1961 filed 150,000 common. **Price**—By amendment. **Business**—A manufacturer, wholesaler, and retailer of vitamin products. **Proceeds**—For selling stockholders. **Office**—62 W. 45th St., N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

Foote & Davies, Inc.
Sept. 22, 1961 filed 165,000 common; 70,000 to be offered by the company and 95,000 by present stockholders. **Price**—By amendment. **Business**—Printing and binding of books, magazines, catalogs, pamphlets, advertising material, etc. **Proceeds**—Repayment of debt and working capital. **Office**—764 Miami Circle, N.E., Atlanta, Ga. **Underwriters**—J. C. Bradford & Co., Nashville, Tenn. and Courts & Co., Atlanta, Ga.

• Fram Corp. (11/14)
Sept. 1, 1961 filed 50,000 common. **Price**—By amendment. **Business** — The manufacture of oil and air filtration equipment for engines. **Proceeds**—To reimburse Treasury for a recent acquisition. **Office**—105 Pawtucket Ave., East Providence, R. I. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

G-W Inc.
Jan. 25, 1961 filed 80,000 shares of common stock and 100,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office** — Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa. **Note**—Company formerly was named G-W Ameritronics, Inc. **Offering**—Expected in November.

Gas Hills Uranium Co.
Aug. 29, 1961 filed 847,035 common to be offered for subscription by stockholders on a 1-for-10 basis. **Price**—By amendment. **Business**—The operation of uranium mines and a mill. **Proceeds**—For repayment of loans, acquisitions and working capital. **Office**—224 Ivinson St., Laramie, Wyo. **Underwriter**—None.

• Gem Electronic Distributors, Inc. (11/13-17)
Aug. 25, 1961 filed 75,000 common. **Price**—By amendment. **Business**—The distribution of electronic parts and equipment, including TV and radio components. **Proceeds**—For repayment of loans and inventory. **Office**—34 Hempstead Turnpike, Farmingdale, N. Y. **Underwriter**—Carter, Berlind, Potoma & Weill, N. Y. C. (mgr.).

General Development Corp.
Oct. 16, 1961 filed 61,500 common. **Price**—By amendment. **Business**—Development of land for home and industrial sites. **Proceeds**—For selling stockholders. **Office**—2828 S. W. 22nd St., Miami, Fla. **Underwriter**—Allen & Co., N. Y.

• General Forms, Inc. (10/30-11/3)
Aug. 15, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of loans, plant improvements, equipment and working capital. **Office**—7325 Northwest 43rd St., Miami. **Underwriter**—Equity Securities Co., New York.

• General Kinetics Inc. (10/30)
Aug. 7, 1961 filed 200,000 common. **Price**—By amendment. **Business** — Company conducts various activities within the fields of electronics, mechanical engineering, instrumentation and mathematics. **Proceeds**—For expansion. **Office** — 2611 Shirlington Rd., Arlington, Va. **Underwriters** — Balogh & Co., Inc., Washington, D. C. and Irving J. Rice & Co., Inc., St. Paul, Minn.

• General Research Corp. (11/10)
Oct. 6, 1961 ("Reg. A") 23,599 preferred and 115,966 common to be offered in units as follows: (1) one preferred and three common; (2) one preferred and six common; (3) one preferred and nine common. **Price**—(1) $8 per unit; (2) $14 per unit; (3) $20 per unit. **Proceeds**—For debt repayment, equipment, advertising and working capital. **Office**—3203 Third Ave., N., Billings, Mont. **Underwriter**—Wilson, Ehli, Demos Bailey & Co., Billings, Mont.

• General Telephone Co. of Florida (11/2)
Oct. 11, 1961 filed $15,000,000 of first mortgage bonds, series H, due 1991. **Price**—By amendment. **Proceeds**—For repayment of debt and construction. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp., N. Y.

Gibraltar Financial Corp. of California (11/21)
Oct. 3, 1961 filed $5,500,000 of conv. subord. debentures due Nov. 1, 1976. **Price**—By amendment. **Business**—A holding company for a savings and loan association, a bank, an escrow company and a real estate trustee. **Proceeds**—Debt repayment, additional investment in the bank and other corporate purposes. **Office**—9111 Wilshire Blvd., Beverly Hills, Calif. **Underwriters**—White, Weld & Co., N. Y., and Dean Witter & Co., San Francisco.

• Girder Process, Inc. (11/1-2)
July 21, 1961 filed 80,000 class A common shares. **Price**—$5.25. **Business**—The manufacture of adhesive bonding films and related products. **Proceeds**—For acquisition of a new plant, purchase and construction of new machinery and equipment, research and laboratory product development, sales program, advertising, working capital and other corporate purposes. **Office**—102 Hobart Street, Hackensack, N. J. **Underwriter**—Winslow, Cohu & Stetson, New York (managing).

Girltown, Inc.
Sept. 28, 1961 filed 200,000 class A common shares. **Price**—By amendment. **Business**—The manufacture of young women's sportswear. **Proceeds**—For selling stockholders. **Office**—35 Morrissey Blvd., Boston. **Underwriter**—Hemphill, Noyes & Co., N. Y.

Glacier Publishing International, Inc.
Sept. 15, 1961 filed 112,500 common. **Price**—$3. **Business**—Publishing of crossword puzzle magazines, pricing guide directories and certain annual publications. **Proceeds** — Repayment of debt, and working capital. **Office**—26 B'way, N. Y. **Underwriter**—Farrell Securities Co., N. Y.

Glass-Tite Industries, Inc.
Sept. 27, 1961 filed 185,000 common, of which 135,000 are to be offered by the company and 50,000 by a stockholder. **Price**—By amendment. **Business**—Manufacture of glass-to-metal hermetic seals. **Proceeds**—For purchase of equipment, investment in a subsidiary, research and development, moving expenses, and working capital. **Office**—725 Branch Ave., Providence, R. I. **Underwriter**—Hemphill, Noyes & Co., N. Y.

Glen Industries, Inc.
Sept. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Manufacture of die casting and zipper machinery. **Proceeds**—General corporate purposse. **Office**—130 County Courthouse Rd., New Hyde Park, N. Y. **Underwriter**—G. Everett Parks & Co., Inc., N. Y.

Globe Coliseum, Inc.
July 21, 1961 ("Reg. A") 300,000 common shares. **Price**—At par ($1). **Proceeds**—For construction of a coliseum building, furnishings and incidental expenses. **Address**—c/o Fred W. Layman, 526 S. Center, Casper, Wyo. **Underwriter**—Northwest Investors Service, Inc., Billings, Mont. **Offering**—Imminent.

Gluckin (Wm.) Co. Ltd. (1/4)
Aug. 25, 1961 filed 175,000 common. **Price**—$10. **Business**—The manufacture of ladies' underclothing. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriter**—Globus, Inc., N. Y. C. (mgr.)

Golf Courses, Inc.
Aug. 28, 1961 filed 100,000 capital shares. **Price**—$6. **Business**—The company plans to operate a public golf course and a private country club. **Proceeds**—For purchase of land, construction and general corporate purposes. **Office**—1352 Easton Rd., Warrington, Bucks County, Pa. **Underwriter**—Metropolitan Securities, Inc., Philadelphia (mgr.)

• Gould Paper Co.
Sept. 28, 1961 filed 140,000 common. **Price**—$11. **Business**—Manufacture of paper. **Proceeds**—Expansion and working capital. **Office**—Lyons Falls, N. Y. **Underwriter**—Amos Treat & Co., Inc., N. Y. **Offering**—In early Jan.

Gradiaz, Annis & Co., Inc.
Sept. 27, 1961 filed 116,875 common, of which 25,350 shares will be offered by the company and 91,525 by a stockholder. **Price**—By amendment. **Business**—Manufacture of cigars. **Proceeds**—To prepay notes and increased working capital. **Office**—2311-18th St., Tampa, Fla. **Underwriter**—W. C. Langley & Co., N. Y.

Grafco Industries, Inc.
Sept. 27, 1961 filed 77,250 common. **Price**—$4. **Business**—Manufacture of graphic arts equipment, chemicals and supplies. **Proceeds**—For the operation of a subsidiary, new product development, equipment and other corporate purposes. **Office**—291 Third Ave., N. Y. **Underwriter**—Philips, Rosen and Appel, N. Y.

Green (Henry J.) Instrument Co.
Aug. 24, 1961 filed 140,000 common. **Price**—$2.25. **Business**—The manufacture of precision meteorological instruments. **Proceeds**—For repayment of loans, equipment, salaries and general corporate purposes. **Office**—2500 Shames Dr., Westbury, N. Y. **Underwriter**—N. A. Hart & Co., Inc., Bayside, N. Y. (mgr.).

Griesedieck Co.
Sept. 11, 1961 filed 100,000 common to be offered for subscription by stockholders on the basis of one new share for each three held. **Price**—By amendment. **Business** — A closed-end investment company. **Proceeds**—General corporate purposes. **Office**—314 N. B'way, St. Louis. **Underwriter**—Edward D. Jones & Co., St. Louis.

Gro-Rite Shoe Co., Inc.
July 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1970 to be offered for subscription by stockholders on the basis of one $100 debenture for each 60 shares held. **Price**—At par. **Business**—The manufacture of specialized children's shoes. **Proceeds**—For new molds, construction and working capital. **Address**—Route 2, Box 129, Mount Gilead, N. C. **Underwriter**—None. **Offering**—Expected in November.

Growth, Inc. (11/6-10)
May 17, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

• Growth Properties (11/9)
May 9, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds** — To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

Gulf American Fire & Casualty Co.
Sept. 28, 1961 filed 226,004 common to be offered for subscription by stockholders on the basis of three new shares for each 10 held. **Price**—$2. **Business**—Writing of fire and casualty insurance. **Proceeds**—To increase capital and surplus. **Office**—25 S. Perry St., Montgomery, Ala. **Underwriter**—None.

Gulf States Land & Industries, Inc.
Aug. 29, 1961 filed 460,003 common to be offered for subscription by stockholders of Chemetals Corp., principal stockholder, on the basis of five shares for each $5 cumulative preferred share (par $10) and one share for each 3.2367 common shares of Chemetals held. **Price**—By amendment. **Business**—The exploration and development of oil and gas properties. **Office**—383 Madison Ave., N. Y. **Underwriter**—None.

• Halco Chemical Co. (11/6-10)
Aug. 25, 1961 filed 225,000 common. **Price**—$2. **Business**—Manufacture of agricultural chemicals. **Proceeds**—General corporate purposes. **Office** — N. 14th St. and Lafayette Ave., Kenilworth, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., N. Y.

Hallmark Insurance Co., Inc.
Aug. 3, 1961 filed 225,000 common shares. **Price** — $3. **Business**—An insurance company. **Proceeds**—For capital and surplus. **Office**—636 S. Park St., Madison, Wis. **Underwriters**—Braun, Monroe & Co., Milwaukee and Harley, Haydon & Co., Inc., Madison.

Haltone Rental Corp.
Sep. 29, 1961 ("Reg. A") 150,000 common. **Price**—$2. **Business**—Rental of fur coats. **Proceeds**—For leasehold improvements, equipment, advertising, working capital and inventory. **Office**—350 Seventh Ave., N. Y. **Underwriter**—B. G. Harris & Co., N. Y.

• Hamilton Electro Corp. (11/1-2)
Aug. 9, 1961 filed 135,000 common, of which 80,000 are to be offered by the company and 55,000 by stockholders. **Price**—$7.50. **Business**—Distribution of solid state electronic parts and equipment. **Proceeds**—Inventory, new product lines, repayment of loans and working capital. **Office**—11965 Santa Monica Blvd., Los Angeles, Calif. **Underwriter**—William Norton Co., N. Y.

Handschy Chemical Co. (11/6-10)
Aug. 25, 1961 filed 150,000 common, of which 50,000 are to be offered by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—The manufacture of specialty printing inks, chemicals and supplies. **Proceeds**—For general corporate purposes. **Office**—2525 N. Elston Ave., Chicago. **Underwriter**—Blunt Ellis & Simmons, Chicago (mgr.)

★ Hanna (M. A.) Co. (11/27-12/1)
Oct. 20, 1961 filed 740,000 common. **Price**—By amendment. **Business**—A closed-end and non-diversified investment company. **Proceeds**—For the selling stockholders

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er (Hanna Mining Co.). **Office** — 1300 Leader Bldg., Cleveland. **Underwriter**—First Boston Corp., N. Y.

Hannett Industries, Inc. (11/13-17)
Aug. 11, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business** — Fabrication of components for missiles, jet engines, aircraft landing gears and precision machines. **Proceeds** — Machinery, research and development and working capital. **Office**—40 Sea Cliff Ave., Glen Cove, N. Y. **Underwriter**—Albion Securities Co., Inc., N. Y.

● **Happy House, Inc. (11/6-10)**
July 28, 1961 filed 700,000 common shares . **Price**—$1. **Business**—The marketing of gifts, candies and greeting cards through franchised dealers. **Proceeds**—For equipment, inventory and working capital. **Office**—11 Tenth Ave., S., Hopkins, Minn. **Underwriter**—None.

Harleysville Life Insurance Co.
Sept. 21, 1961 filed 40,000 common. **Price**—$15. **Business**—The writing of all types of life insurance and annuities. **Proceeds**—Working capital. **Office**—Harleysville, Pa. **Underwriter**—None.

Hartfield Stores, Inc.
Sept. 25, 1961 filed $5,000,000 of conv. subord. debentures due 1981. **Price**—By amendment. **Business**—Operation of retail apparel and discount department stores. **Proceeds**—Repayment of debt, expansion and working capital. **Office**—5330 W. 102nd St., Los Angeles. **Underwriters**—Van Alstyne, Noel & Co., N. Y., and Johnston, Lemon & Co., Wash., D. C. **Offering**—Expected sometime in Nov.

Hazeltine Investment Corp.
June 5, 1961 filed 13,000 5% preferred shares ($100 par) and 13,000 common shares to be offered for sale in units of one preferred and one common share. **Price**—$101 per unit. **Business**—The acquisition and development of real estate. **Proceeds** — For investment, repayment of debt, and working capital. **Office**—660 Grain Exchange, Minneapolis. **Underwriter**—None.

Hexagon Laboratories, Inc.
July 20, 1961 filed $540,000 of 6% convertible subordinated debentures due 1976 and 90,000 common shares to be offered in units consisting of $300 of debentures and 50 common shares. **Price**—$500 per unit. **Business**—The manufacture of medicinal chemicals. **Proceeds**—For equipment, expansion, repayment of loans and working capital. **Office**—3536 Peartree Avenue, New York **Underwriter**—Stearns & Co., New York (managing).

★ **Hi-Plains Airways, Inc.**
Oct. 12, 1961 ("Reg. A") 3,000 preferred. **Price**—At par ($100). **Business**—An air carrier. **Proceeds**—For equipment and working capital. **Address** — Hill City, Kan. **Underwriter**—None.

● **Hickory Industries, Inc.**
Aug. 31, 1961 ("Reg. A") 40,000 common. **Price**—$5. **Business**—The manufacture of barbecue machines and allied equipment. **Proceeds**—For equipment, inventory, sales promotion, expansion and working capital. **Office**—10-20 47th Rd., Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y. **Offering**—Imminent.

High Temperature Materials, Inc.
Sept. 28, 1961 filed 120,000 common. **Price**—By amendment. **Business**—Manufacture of products from test models. **Proceeds**—For equipment, research and development, leasehold improvements, repayment of debt and working capital. **Office**—130 Lincoln St., Brighton, Mass. **Underwriter**—L. F. Rothschild & Co., N. Y.

Hill Street Co.
Oct. 16, 1961 filed 2,265,138 common to be offered for subscription by stockholders of Union Bank of California on a share-for-share basis. **Price**—$3. **Business**—A management investment company. **Proceeds**—For investment. **Office**—760 S. Hill St., Los Angeles. **Underwriter**—None.

Hoffman International Corp. (11/20-24)
July 18, 1961 filed $1,890,700 7% convertible subordinated debentures due 1973 to be offered for subscription by stockholders on the basis of $100 of debentures for each 25 shares held. **Price**—At par. **Business**—The manufacture of pressing and dry-cleaning equipment. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—107 Fourth Ave., New York. **Underwriter**—J. R. Williston & Beane, New York.

● **Hogan Faximile Corp.**
July 26, 1961 filed 300,000 common to be offered to stockholders of record Oct. 27 on a 1-for-3 basis, with rights to expire Nov. 13. **Price**—By amendment. **Business**—Manufacture of electrolytic recording paper and equipment. **Proceeds**—For repayment of debt and working capital. **Office**—635 Greenwich St., N. Y. **Underwriter**—William R. Staats & Co., Los Angeles (mgr.).

Hollywood Artists Productions Inc.
July 28, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The production of motion picture and TV feature films. **Proceeds**—For repayment of loans, producers' fee, stories and working capital. **Office**—350 Lincoln Rd., Miami Beach, Fla. **Underwriter**—To be named.

Honolulu Gas Co., Ltd.
Oct. 11, 1961 filed 73,062 common, of which 66,420 will be offered for subscription by stockholders on a 1-for-5 basis. **Price**—By amendment. **Proceeds**—For construction and debt repayment. **Office**—1050 Bishop St., Honolulu, Hawaii. **Underwriter**—None.

Houston Corp.
June 9, 1961 filed 583,334 common shares to be offered for subscription by holders of common and class A stock. **Price**—By amendment. **Business** — The operation of a pipe line system of natural gas. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—First Federal Bldg., St. Petersburg, Fla. **Underwriters**—Blyth & Co., Inc., Lehman Brothers and Allen & Co., New York.

★ **Hyatt Corp.**
Oct. 20, 1961 filed 350,000 caiptal shares. **Price**—$10. **Business**—Operates a chain of motor hotels. **Proceeds**—For debt repayment and general corporate purposes. **Office** — 1290 Bayshore Highway, Burlingame, Calif. **Underwriters**—J. Barth & Co., San Francisco and Shearson, Hammill & Co., N. Y.

Hydra-Loc, Inc.
Oct. 10, 1961 ("Reg. A") 60,000 common. **Price**—$2. **Business**—Design, development and manufacture of a brake control. **Proceeds**—For debt repayment and general corporate purposes. **Office**—101 Park Ave., Hudson, N. Y. **Underwirter**—McLaughlin, Kaufman & Co., N. Y.

Hygiene Industries Inc.
Sept. 20, 1961 filed 200,000 common. **Price**—$5. **Business**—Manufacturer of shower and window curtains. **Proceeds**—For selling stockholders. **Office**—261 5th Ave., N. Y. **Underwriter**—Milton D. Blauner & Co., N. Y. **Offering**—Expected sometime in November.

● **Hygrade Packaging Corp. (10/30-11/3)**
Aug. 30, 1961 filed 100,000 class A. **Price**—By amendment. **Business**—The manufacture of paper cartons and boxes. **Proceeds**—For product development, expansion, repayment of a loan and working capital. **Office**—92-00 Atlantic Ave., Ozone Park, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., N. Y. (mgr.).

Idaho Power Co. (11/1)
Sept. 26, 1961 filed 200,000 common. **Price**—By amendment. **Office**—1220 Idaho St., Boise, Idaho. **Underwriters**—To be named. The last sale of common on Nov. 10, 1960 was underwritten by Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

Idaho Power Co. (11/1)
Sept. 26, 1961 filed $10,000,000 first mortgage bonds due 1991. **Office**—1220 Idaho St., Boise, Idaho. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co.-First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly); Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. **Bids**—Expected Nov. 1, (11 a.m. EST) at Bankers Trust Co. (second floor) 16 Wall St., N. Y. **Information Meeting**—Oct. 27 (11 a.m. EDST) at above address.

● **Ihnen (Edward H.) & Son, Inc.**
May 16, 1961 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The construction of public and private swimming pools and the sale of pool equipment. **Proceeds**—To reduce indebtedness, to buy equipment, and for working capital. **Office**—Montvale, N. J. **Underwriter**—Amos Treat & Co., Inc., N. Y. **Offering**—Expected sometime in January.

● **Illinois Capital Investment Corp.**
Sept. 19, 1961 filed 250,000 common. **Price**—By amendment. **Business**—A small business investment company. **Office**—20 North Wacker Dr., Chicago, Ill. **Underwriter**—Blair & Co., Inc., N. Y. **Offering**—Late in November.

Industrionics Controls, Inc.
July 26, 1961 filed 84,000 common shares. **Price** — $5. **Business**—The manufacture of electronic controls for the monitoring of machinery. **Proceeds**—For repayment of a loan, purchase of raw material and equipment, advertising, establishment of a field engineering service organization and other corporate purposes. **Office**—20 Vandam St., N. Y. **Underwriter**—Jacey Securities Co., N. Y.

Intercontinental Dynamics Corp.
July 18, 1961 ("Reg. A") 200,000 common. **Price**—$1.50. **Business**—Manufacture of electronic and elcetro-mechanical devices used to determine the accuracy of aircraft flight instruments. **Office**—170 Coolidge Ave., Englewood, N. J. **Underwriter**—M. H. Woodhill Inc., N. Y. **Offering**—Imminent.

● **Interior Communications Systems, Inc.**
Aug. 25, 1961 ("Reg. A") 220,000 common. **Price**—$1.15 **Proceeds**—For establishment of a Chicago branch office and the purchase of inventories. **Office**—2430 Nicollet Ave., Minneapolis. **Underwriter**—McDonald, Anderson, Peterson & Co., Inc., Minneapolis. **Offering**—Imminent.

International House of Pancakes, Inc.
Aug. 28, 1961 filed $600,000 of 6% convertible subordinated debentures due 1976 and 81,250 common. **Price**—By amendment. **Business**—The distribution of food items for restaurants. **Proceeds**—For expansion, repayment of loans and general corporate purposes. **Office**—6837 Lankershim Blvd., North Hollywood, Calif. **Underwriter**—L. F. Rothschild & Co., N. Y. (mgr.).

● **International Housing Corp. (11/6-10)**
Aug. 16, 1961 filed 440,000 common shares. **Price**—$1.15. **Business**—For construction and financing of shell homes. **Proceeds**—For working capital and general corporate purposes. **Office**—2101 N. E. Broadway, Minneapolis. **Underwriter**—Bratter & Co., Inc., Minneapolis.

● **International Management Corp. (11/13-17)**
Aug. 21, 1961 ("Reg. A") 100,000 common (par $1). **Price**—$3. **Proceeds**—For loans to subsidiaries and working capital. **Office**—7510 B. Granby St., Norfolk, Va. **Underwriter**—J. B. McLean & Co., Inc., Norfolk, Va.

● **Interphoto Corp.**
Sept. 15, 1961 filed 200,000 class A common. **Price**—$9. **Business** — The wholesale distribution of photographic and sound equipment and supplies. **Proceeds**—For the selling stockholders. **Office** — 45-17 Pearson St., Long Island City, N. Y. **Underwriters**—C. E. Unterberg, Towbin Co., and Arnhold & S. Bleichroeder, Inc., N. Y. **Offering**—Expected in late December.

● **Interstate Bowling Corp. (11/13-17)**
July 25, 1961 filed 150,000 common shares. **Price**—$3.50. **Business** — The acquisition and operation of bowling centers in Colorado, California and other states. **Proceeds**—For repayment of debts and general corporate purposes. **Office** — 10391 Magnolia Ave., Riverside, Calif. **Underwriter**—Currier & Carlsen, Inc., San Diego.

● **Interstate Hosts, Inc.**
Oct. 2, 1961 filed $2,550,000 of con. subord. debentures due 1981 to be offered for subscription by stockholders on the basis of $100 of debentures for each 33 shares held. **Price**—At par. **Business**—The operation of restaurants, other food establishments and gift shops. **Proceeds**—For expansion. **Office**—11255 W. Olympic Blvd., Los Angeles. **Underwriters**—Glore, Forgan & Co., N. Y. and H. M. Byllesby & Co., Inc., Chicago. **Offering**—Expected in late November.

Interworld Film Distributors, Inc.
Sept. 29, 1961 filed 106,250 common. **Price**—$4. **Business** Theatrical distribution and co-production of foreign and domestic feature films. **Proceeds**—For acquisition, co-production, dubbing, adaptation and distribution of films, and working capital. **Office**—1776 B'way, N. Y. **Underwriters**—General Securities Co., Inc., and S. Kasdan & Co., Inc., N. Y. **Offering**—Expected in December.

● **Invest Fund, Inc.**
Feb. 20, 1961 filed 150,000 shares of common stock. **Price**—Net asset value at the time of the offering. **Business** — A non-diversified, open-end investment company, whose stated objective is capital appreciation. **Proceeds**—For investment. **Office** — One State Street, Boston. **Underwriter**—Ivest, Inc., One State St., Boston. **Offering**—Imminent.

● **(The) Japan Fund, Inc.**
Oct. 19, 1961 filed 2,000,000 common. **Price** — $12.50. **Business**—A diversified investment company. **Office**—25 Broad St., N. Y. **Proceeds**—For investment in Japanese securities. **Underwriters**—Bache & Co., and Paine, Webber, Jackson & Curtis, N. Y., and Nikko Securities Co., Ltd., Tokyo, Japan. **Offering** — Expected sometime in December.

Jarrell-Ash Co.
Aug. 17, 1961 filed 60,000 class A common shares and 9,000 outstanding voting trust certificates (representing beneficial interest in 9,000 class B common shares). **Price**—By amendment. **Business**—The manufacture of optical instrumentation. **Proceeds**—For repayment of loans and working capital. **Office** — 7 Farwell St., Newtonville, Mass. **Underwriters**—Stearns & Co., New York and Clayton Securities Corp., Boston. **Offering**—Expected in early November.

Jayark Films Corp. (11/6-10)
Aug. 24, 1961 filed 72,000 common, of which 50,000 are to be offered by the company and 22,000 by stockholders. **Price**—By amendment. **Business**—The distribution of motion picture and television films. **Proceeds**—For production of films and working capital. **Office**—15 E. 48th St., N. Y. **Underwriter**—Pacific Coast Securities Co., San Francisco.

Jaylis Industries, Inc.
Oct. 18, 1961 filed $850,000 of 6½% subord. debentures due 1971 and 212,500 class A common shares to be offered in units of one $100 debenture and 25 class A shares. **Price**—$200. **Business**—Manufactures patented traversing screens for use as window coverings, room dividers, folding doors, etc. **Proceeds**—For debt repayment and general corporate purposes. **Office**—514 W. Olympic Blvd., Los Angeles. **Underwriter**—D. E. Liederman & Co., Inc., N. Y.

Jefferson Counsel Corp.
March 13, 1961 filed 30,000 of class B common stock (non-voting). **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 to sponsor the organization of the Jefferson Growth Fund, Inc., a new open-end diversified investment company of the management type. **Proceeds**—For organizational and operating expenses. **Office**—52 Wall St., N.Y.C. **Underwriter**—None. **Offering**—Imminent.

Johnson Electronics, Inc.
Sept. 8, 1961 filed 125,000 capital shares. **Price**—By amendment. **Business**—The design and production of special electronic components for the commercial and military market. **Proceeds**—For the repayment of debt, and working capital. **Address**—Box 7, Casselberry, Fla. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia.

Jorn's Greeting Card Co., Inc.
Sept. 28, 1961 filed 110,000 common. **Price**—By amendment. **Business**—Manufacture and sale of greeting cards. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—106-11 157th St., Jamaica, N. Y. **Underwriter**—Godfrey Hamilton, Taylor & Co., Inc., N. Y.

Joyce Teletronics Corp.
Aug. 31, 1961 ("Reg. A") 55,000 common. **Price**—$5. **Business**—The manufacture of electronic instruments used in communication. **Proceeds**—For working capital, new products and repayment of loans. **Office**—20 Madison Ave., Hicksville, N. Y. **Underwriter**—General Securities Co., Inc., N. Y. **Offering**—Expected in December.

Julyn Sportswear, Inc.
Sept. 7, 1961 filed 125,000 class A. **Price**—$5. **Business**—The manufacture of maternity clothes and sportswear. **Proceeds**—For working capital. **Office**—237 W. 35th St., N.Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., N.Y. **Offering**—Expected in November.

Kaiser Electronics, Inc.
Aug. 22, 1961 ("Reg. A") 50,000 common. **Price**—$4.50. **Business** — The manufacture of electronic power conversion equipment. **Proceeds** — For repayment of loans, new products, equipment, inventory, sales promotion and working capital. **Office**—3 Monroe St., Union N. J. **Underwriter**—Schirmer, Atherton & Co., Boston.

★ **Kann-Ellert Electronics, Inc.**
Oct. 24, 1961 filed 108,000 common. **Price**—$6.50. **Business**—Wholesaling of electronic parts and components and equipment. **Proceeds**—For debt repayment and general corporate purposes. **Office** — 2050 Rockrose Ave., Baltimore. **Underwriter**—Rubin, Rennert & Co., Inc., N.Y.

● **Kaufman & Broad Building Co. (11/6-10)**
Aug. 11, 1961 filed 174,500 common shares, of which 124,500 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—By amendment. **Business**—The construction and sale of low-priced homes. **Proceeds**—For repayment of loans and working capital. **Office**—18610 W. Eight Mile Road, Southfield, Mich. **Underwriter**—Bache & Co., New York (managing).

Keller Corp.
June 29, 1961 filed $1,200,000 of 6½% convertible subord. debentures due 1968. **Price**—At 100%. **Business**—Development of land, construction of homes and related activities in Florida. **Proceeds**—Repayment of debt, acquisition of Yetter Homes, Inc., and general corporate purposes. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers & Co., Inc., N. Y. **Offering**—Expected late in December.

★ **Kellwood Co.**
Oct. 24, 1961 filed 380,000 common. **Price**—By amendment. **Business** — Manufacture of clothing, camping equipment and bedding items principally for Sears, Roebuck & Co. **Proceeds**—For selling stockholders. **Office**—111 W. Monroe St., Chicago. **Underwriters** — Goldman, Sachs & Co. and Lehman Brothers, N. Y.

● **Kendall Industries, Inc.**
Sept. 11, 1961 filed 150,000 common, of which 100,000 are to be offered by the company and 50,000 by a selling stockholder. **Price**—$4. **Business**—The manufacture of sliding aluminum windows and doors. **Proceeds**—For equipment and general corporate purposes. **Office**—5581 Air Terminal Dr., Fresno, Calif. **Underwriter**—Currier & Carlsen, Inc., Los Angeles. **Offering**—In December.

● **Kent Dry Cleaners, Inc. (11/13-17)**
Aug. 25, 1961 filed 165,000 common, of which 45,000 are to be offered by the company and 120,000 by stockholders. **Price**—$5. **Business**—The dry cleaning and storage of clothes. **Proceeds**—For working capital and general corporate purposes. **Office** — 1745 Clintonville St., Whitestone (Queens) N. Y. **Underwriter**—Arnold Malkan & Co., Inc., N. Y. C.

● **Kentucky Central Life & Accident Insurance Co.**
Aug. 16, 1961 filed 400,000 class A non-voting common shares, of which 200,000 shares are to be offered by the company and 200,000 shares by stockholders. **Price**—From $13 to $17 per share. **Proceeds**—To increase capital and surplus. **Address**—Anchorage, Ky. **Underwriter**—Stifel, Nicolaus & Co., St. Louis (mgr.). **Offering**—Imminent.

● **Kenwin Shops, Inc.**
Sept. 27, 1961 filed 80,000 common. **Price**—$5. **Business**—Operates a chain of women's and children's apparel stores. **Proceeds**—Repayment of debt, expansion and working capital. **Office**—249 W. 34th St., N. Y. **Underwriters**—D. H. Blair & Co., N. Y., and Johnson, Lane, Space Corp., Savannah. **Offering**—Expected in Dec.

Kiddie Rides, Inc.
Sept. 12, 1961 filed $1,000,000 of 7% convertible subordinated debentures due 1971 and 30,000 common to be offered in units of $1,000 debentures and 30 of common. **Price**—By amendment. **Business**—The operation of coin operated children's amusement equipment. **Proceeds**—For repayment of loans, equipment and general corporate purposes. **Office**—2557 W. North Ave., Chicago. **Underwriter**—Paul C. Kimball & Co., Chicago.

King Louie Bowling Corp.
Sept. 27, 1961 filed 325,000 common. **Price**—$3. **Business**—Operates a chain of bowling centers. **Proceeds**—Repay debt and for other corporate purposes. **Office**—8788 Metcalfe Rd., Overland Park, Kan. **Underwriter**—George K. Baum & Co., Kansas City, Mo.

● **Knape & Vogt Manufacturing Co. (11/15)**
Sept. 11, 1961 filed 263,750 common. **Price**—By amendment. **Business**—The manufacture of specialty hardware items. **Proceeds**—For the selling stockholders. **Office**—658 Richmond St., N. W. Grand Rapids, Mich. **Underwriter**—Glore, Forgan & Co., N. Y. (mgr.).

Knickerbocker Toy Co., Inc.
Sept. 27, 1961 filed 100,000 common. **Price**—By amendment. **Business**—Design and manufacture of toys. **Proceeds**—For working capital. **Office**—401 Butler St., Brooklyn, N. Y. **Underwriter**—Netherlands Securities Co., Inc., N. Y.

Korfund, Inc.
Sept. 8, 1961 filed $600,000 of 6½% convertible subord. debentures due 1971 and 180,000 common to be offered for public sale in units, each consisting of $100 of debentures and 30 common. Of the 180,000 shares, 40,000 will be sold by the company and 140,000 by Massachusetts Mohair Plush Co., Inc., sole stockholder. **Price**—By amendment. **Business**—The manufacture of vibration, shock and noise control products and the distribution of European made electronic and mechanical instruments. **Proceeds**—For the repayment of debt, and working capital. **Office**—16 E. 34th St., N. Y. **Underwriter**—Street & Co., Inc., N. Y. (mgr.).

Koster-Dana Corp.
Sept. 28, 1961 filed 70,000 common. **Price**—$5. **Business**—Publishing of informational booklets for financial, commercial and industrial organizations. **Proceeds**—Debt repayment and working capital. **Office**—76 Ninth Ave., N. Y. **Underwriter**—Gianis & Co., N. Y.

Kratter Corp.
Sept. 27, 1961 filed $100,000,000 of 6% subord. debentures due 1976 (with attached five-year warrants to purchase 2,000,000 class A common) to be offered to holders of class A and class B shares at the rate of $1,000 of debentures for each 50 shares held. **Price**—$1,000. **Business**—Real Estate investment. **Proceeds**—Repayment of debt, investment, and corporate purposes. **Office**—521 5th Ave., N. Y. **Underwriter**—None.

Kronfeld (Phil), Inc.
July 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The operation of men's retail stores. **Proceeds**—For a new store, working capital and general corporate purposes. **Office** — 201 W. 49th St., N. Y. **Underwriter**—Kerns, Bennett & Co., Inc., N. Y.

● **Kulicke & Soffa Manufacturing Co. (11/20-24)**
Aug. 15, 1961 filed 122,980 common shares, of which 100,000 shares are to be offered by the company and 22,980 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of machinery for production of transistors and similar devices. **Proceeds**—For payment of taxes, new products, down payment on a new plant and general corporate purposes. **Office**—401 N. Broad St., Philadelphia. **Underwriter**—Marron, Sloss & Co., Inc., New York (managing).

L. L. Drug Co., Inc.
July 26, 1961 filed 100,000 common shares. **Price**—$4.50. **Business** — The manufacture or pharmaceuticals. **Proceeds**—For repayment of a loan, purchase of equipment, research and development, advertising and working capital. **Office**—1 Bala Ave., Bala-Cynwyd, Pa. **Underwriter**—Stevens Investment Co., Bala-Cynwyd, Pa. **Offering**—Expected in early November.

● **Laboratory Procedures, Inc.**
Sept. 29, 1961 ("Reg. A") 100,000 capital shares. **Price**—$2.50. **Proceeds**—For debt repayment, equipment, advertising, leases, and working capital. **Office** — 2701 Stocker St., Los Angeles. **Underwriter**—Pacific Coast Securities Co., San Francisco. **Offering**—In late Nov.

Lance, Inc.
Aug. 30, 1961 filed 364,000 common. **Price**—By amendment. **Business**—The manufacture of peanut butter filled delicacies. **Proceeds**—For the selling stockholders. **Office**—1304 S. Blvd., Charlotte, N. C. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C. (mgr.).

Larr Optics & Electronics Co.
Oct. 2, 1961 ("Reg. A") 75,000 common. **Price**—$2. **Proceeds**—For expansion, equipment, research and development and working capital. **Office**—1375 West Maple St., Denver. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., Denver.

Lehigh Acres Utilities & Investment Co.
Sept. 26, 1961 filed 100,000 common. **Price**—$5. **Business**—Operates a water treatment plant, sewage disposal plant, and LP-gas distribution facilities. **Proceeds**—Repay debt, expansion and working capital. **Office**—800-71st St., Miami Beach, Fla. **Underwriter**—None.

Leslie (Joyce), Inc.
Sept. 28, 1961 filed 100,000 common. **Price**—$5.50. **Business**—Retailing of women's apparel. **Proceeds**—For expansion, inventories and working capital. **Office**—850 Flatbush Ave., Brooklyn. **Underwriter**—Seymour, Bernard & DuBoff, Inc., N. Y.

Lewis & Clark Marina, Inc.
May 9, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Address**—Yankton, S. D. **Underwriter** — The Apache Investment Planning Division of the Apache Corp., Minneapolis. **Offering**—Expected sometime in November.

Libby International Corp.
Aug. 3, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribution of tractors and farm equipment manufactured by Kramer-Werke, a German company. **Proceeds** — For repayment of loans, inventory and working capital. **Office**—325 W. Houston Street, New York. **Underwriter**—Tau Inc., New York.

Liberian American-Swedish Minerals Co.
Sept. 14, 1961 filed $5,871,500 of 4.167% subordinated debentures due 1985 to be offered for subscription by stockholders of International African American Corp. Latter stockholders will receive Class C rights to acquire the debentures and 176,145 of Liberian Iron Ore Ltd., parent, in units, each consisting of $100 of debentures and 3 Liberian Iron Ore. **Price**—$104 per unit. **Business**—The commercial exploitation of iron ore deposits in Liberia. **Proceeds**—For the selling stockholder. **Address**—Monrovia, Liberia. **Underwriter**—None.

Liberian Iron Ore Ltd.
Sept. 14, 1961 filed 436,327 capital shares to be offered for subscription by stockholders of International African American Corp. Latter stockholders will receive class A rights to acquire 40,000 capital shares on the basis of one for each 22 held; class B rights to acquire 220,182 on the basis of one for each four held; and class C rights to acquire 176,145 shares and $5,871,500 of debentures of Liberian American-Swedish Minerals Co., subsidiary, in units, each consisting of $100 of debentures and three Liberian Iron shares. **Price**—Class A—$10; Class B—$15.85; Class C—$104 per unit. **Proceeds**—For the selling stockholder. **Business**—A holding company for stock of Liberian American-Swedish Minerals Co., which is engaged in the exploitation of iron ore deposits in Liberia. **Address**—Prince Edward Island, Canada. **Underwriter**—None.

Lido Corp. (11/13-17)
Aug. 29, 1961 ("Reg. A") 84,000 common. **Price**—$3.25. **Business**—The manufacture of toys, games and novelties. **Proceeds**—For new equipment, advertising, and repayment of loans. **Office**—349 Rider Ave., Bronx 51, N. Y. **Underwriter**—Flomenhaft, Seidler & Co., Inc., N. Y.

Lincoln Fund, Inc. (11/20-24)
March 30, 1961 filed 951,799 shares of common stock. Price — Net asset value plus a 7% selling commission. Business — A non-diversified, open-end, management-type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. **Proceeds**—For investment. **Office**—300 Main St., New Britain, Conn. **Distributor**—Horizon Management Corp., New York.

Lincoln Liberty Life Insurance Co. (11/13-17)
Sept. 15, 1961 filed 200,000 common. **Price**—By amendment. **Business**—The writing of ordinary life insurance. **Proceeds**—For selling stockholders. **Office**—1518 Milam St., Houston. **Underwriter**—Bache & Co., N. Y.

Lomart Perfected Devices, Inc.
Sept. 14, 1961 filed 100,000 common. **Price**—$5. **Business**—The manufacture of pool filters and accessories and tools, dies, metal stampings, etc. **Proceeds**—For moving expenses, purchase of equipment, promotion of a new product and working capital. **Office**—199 Bleecker St., Brooklyn, N. Y. **Underwriter**—None.

Longs Drug Stores, Inc. (11/6-10)
Aug. 24, 1961 filed 190,000 outstanding common. **Price**—By amendment. **Business**—The company operates a chain of drug stores in California and Hawaii. **Proceeds**—For the selling stockholders. **Office**—5301 Broadway, Oakland, Calif. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc. N. Y. C. (mgr.).

Louis Sherry Preserves, Inc.
Sept. 21, 1961 filed 200,000 common. **Price**—$4. **Business**—Manufacture of fresh fruit preserves and jellies. **Proceeds**—Plant expansion, advertising, repayment of debt, and working capital. **Office**—30-30 Northern Blvd., Long Island City, N. Y. **Underwriter**—Stanley Heller & Co., N. Y. **Offering**—Expected sometime in November.

Ludwig Engineering & Science
Oct. 5, 1961 filed 125,000 common. **Price**—By amendment. **Business**—Renders engineering and research services. **Proceeds**—For equipment, debt repayment and working capital. **Office**—150 E. Foodhill Blvd., Arcadia, Calif. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis. **Offering**—Expected in late November.

Lunar Enterprises, Inc. (11/20-24)
Aug. 31, 1961 filed 125,000 common. **Price**—$5.75. **Business**—The production of television films. **Proceeds**—For filming and production and working capital. **Office**—1501 Broadway, N. Y. **Underwriter**—Ehrlich, Irwin & Co., Inc., 50 Broadway, N. Y.

Lundy Electronics & Systems, Inc.
Sept. 19, 1961 filed 175,000 common. **Price**—$4. **Business**—The manufacture of electronic, electro-mechanical and hydraulic systems for aircraft, missiles and space vehicles. **Proceeds**—For research and development, sales promotion and working capital. **Office**—Glen Head, N. Y. **Underwriter**—Michael G. Kletz & Co., Inc., N. Y.

Lusk Corp. (11/13-17)
Aug. 30, 1961 filed $1,250,000 of 6½% convertible subordinated debentures due 1971, 200,000 common and 5-year warrants to purchase 50,000 common to be offered in 50 units each consisting of $25 of debentures, 4 common and one warrant. **Price**—By amendment. **Business**—Development of residential communities. **Proceeds**—For working capital and general corporate purposes. **Office**—6910 E. Broadway, Tucson. **Underwriter**—Burnham & Co., N. Y. (mgr.).

● **M P I Glass Fibers, Inc.**
April 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture of a new patented fiber glass material to be used in rocket motor cases. **Proceeds**—For expenses, equipment and working capital. **Office**—1025 Shoreham Bldg., Washington, D. C. **Underwriter**—To be named. **Note** — This company formerly was named Industrial Materials, Inc. **Offering**—In Dec.

Macfadden Publications, Inc.
Sept. 28, 1961 filed $5,300,000 of convertible subord. debentures due 1971. **Price**—At par. **Business**—Book and magazine publishing. **Proceeds**—Debt repayment, moving expenses and working capital. **Office**—205 E. 42nd St., N. Y. **Underwriters**—First Broad Street Corp. and Lieberbaum & Co., N. Y.

MacLevy Associates, Inc.
July 20, 1961 ("Reg. A") 150,000 common shares (par one cent). **Price**—$2. **Business**—The distribution of health, exercise and slenderizing equipment. **Proceeds**—For repayment of loans, equipment, new products, sales promotion and advertising, plant removal and working capital. **Office**—189 Lexington Ave., N. Y. 16, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N.J. **Offering**—Expected sometime in Nov.

Macoid Industries, Inc.
Sept. 28, 1961 filed 300,000 common, of which 100,000 are to be offered by the company and 200,000 by stockholders. **Price**—$5. **Business**—Molding of plastic products for the automobile, electrical utility and telephone industries. **Proceeds**—For working capital. **Office**—12340 Cloverdale, Detroit. **Underwriters**—Charles Plohn & Co., N. Y. and Edwards & Hanly, Hempstead, N. Y.

★ **Macy Credit Corp.**
Oct. 25, 1961 filed $20,000,000 of debentures due Dec. 1, 1981. **Price**—By amendment. **Business**—Financing of cash time accounts. **Proceeds** — For general corporate purposes. **Office**—151 W. 34th St., N. Y. **Underwriters**—Lehman Brothers and Goldman, Sachs & Co., N. Y.

● **Magazines For Industry, Inc. (11/6-10)**
Aug. 2, 1961 filed 135,000 common shares. **Price** — By amendment. **Business**—The publishing of business periodicals. **Proceeds**—For promotion, a new publication and working capital. **Office**—660 Madison Ave., New York. **Underwriter**—S. D. Fuller & Co., N. Y. (mgr.)

● **Mainco Electronics & Marine Development Corp.**
Oct. 13, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Manufactures electronic marine equipment and

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yachts and operates a marina. **Proceeds**—Plant construction, research and development and working capital. **Office** — Boothbay Harbor, Me. **Underwriter** — Nance-Kieth Corp., N. Y.

Mairs & Power Income Fund, Inc.
June 7, 1961 filed 40,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds** — For investment. **Office**—1002 First National Bank Bldg., St. Paul, Minn. **Underwriter**—None. **Offering**—In Nov.

● **Major Finance Corp. (11/6-10)**
Aug. 18, 1961 filed $200,000 of 7% senior subordinated debentures due 1971 (with attached warrants) and 100,000 common shares to be offered in units consisting of $100 debenture (with a warrant to purchase one common share at $4) and 50 common shares. **Price**—$300 per unit. **Business**—Consumer finance. **Proceeds**—For working capital. **Office**—912 Thayer Ave., Silver Spring, Md. **Underwriter**—Manhattan Eastern Corp., N. Y. (mgr.)

Malone & Hyde, Inc.
Sept. 1, 1961 filed 275,000 common, of which 100,000 are to be offered by the company and 175,000 by the stockholders. **Price**—By amendment. **Business**—The procurement, warehousing and sale of groceries, meats, produce, etc., to retail grocers. **Proceeds**—For working capital. **Office**—1700 Dunn Ave., Memphis. **Underwriter**—Equitable Securities Corp., Nashville (mgr.).

Mann Research Laboratories, Inc.
Sept. 21, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Sale of scientifically tested biochemicals and pharmaceuticals. **Proceeds**—For new quarters, equipment, a laboratory, inventories and working capital. **Office**—136 Liberty St., N. Y. **Underwriter**—L. D. Sherman & Co., N. Y.

Manson Laboratories, Inc.
Sept. 26, 1961 filed 200,000 common. **Price**—$5. **Business**—Research and manufacture of equipment for military and industrial applications. **Proceeds** — Repayment of debt, equipment research and development, and working capital. **Office**—375 Fairfield Ave., Stamford, Conn. **Underwriter**—Amos Treat & Co., N. Y. **Offering**—In late December.

March Dynamics Inc.
Aug. 28, 1961 filed 125,000 common. **Price**—$2.50. **Business**—The manufacture of mechanical and electro-mechanical components. **Proceeds** — For equipment and working capital. **Office**—920 S. Oyster Bay Rd., Hicksville, N. Y. **Underwriter**—Paul Eisenberg & Co., N. Y. C.

● **Marks Polarized Corp. (11/15)**
June 27, 1961 filed 95,000 common shares. **Price** — By amendment. **Proceeds** — For expansion, acquisition of new facilities and other corporate purposes. **Office**—153-16 Tenth Ave., Whitestone, N. Y. **Underwriters**—Ross, Lyon & Co., Inc. (mgr.), Glass & Ross, Inc., and Globus, Inc., N. Y. C.

Marlene Industries Corp. (11/13-17)
Aug. 29, 1961 filed 225,000 common, of which 150,000 are to be offered by the company and 75,000 by stockholders. **Price**—$7. **Business**—The manufacture of ladies' wear. **Proceeds**—For working capital. **Office**—141 W. 36th St., N.Y.C. **Underwriter**—Bernard M. Kahn & Co., Inc., N.Y.C.

● **Marshall Industries (10/30-11/3)**
Aug. 4, 1961 filed 125,000 common. **Price**—By amendment. **Business**—The manufacture of electronic components and instruments primarily for space and missile applications. **Proceeds**—For repayment of debt and advances to subsidiaries. **Office**—2065 Huntington Dr., San Marino, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., N. Y. (mgr.).

Martin Yale Business Machines Corp.
Sept. 27, 1961 filed 100,000 common (with attached three-year warrants to purchase 40,000 shares at $5, to be offered in units of one share and a warrant to purchase 0.4 share. **Price**—$3.50 per unit. **Business**—Manufacture of paper cutters and trimmers, paper folding machines, photographic dark room accessories and envelope opening machines. **Proceeds**—Advertising sales, promotion, new products and working caiptal. **Office**—2450 Estes Ave., Elk Grove Village, Ill. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

Mayfield Engineering Co.
Oct. 5, 1961 ("Reg. A") 300,000 common. **Price**—$1. **Proceeds**—For equipment, debt repayment and working capital. **Office**—330 W. Costilla St., Colorado Springs. **Underwriter**—Amos C. Sudler & Co., Denver.

Measurements Spectrum, Inc.
Oct. 9, 1961 ("Reg. A") 56,000 common. **Price**—At par ($5). **Proceeds**—For equipment, debt repayment and working capital. **Office**—815 S. Fremont Ave., Alhambra, Calif. **Underwriter**—Adams & Co., Los Angeles.

Medex, Inc.
Sept. 27, 1961 filed 110,000 common. **Price**—By amendment. **Business**—Development and manufacture of a limited line of hospital and surgical supplies. **Proceeds**—For construction, inventory, research and working capital. **Office**—1488 Grandview Ave., Columbus, Ohio. **Underwriter**—Globus, Inc., N. Y. **Offering**—In December.

★ **Medical Industries Fund, Inc.**
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed-end investment company which plans to become open-end. **Proceeds**—For investment in the medical industry and capital growth situations. **Office**—677 Lafayette St., Denver. **Underwriter**—Medical Associates, Inc., Denver.

● **Meehan-Tooker Co., Inc. (11/27-12/1)**
Sept. 8, 1961 filed 100,000 common. **Price**—$5. **Business**—The printing of advertising material, annual reports, booklets etc., by offset lithography. **Proceeds**—For the purchase of a high-speed press, the repayment of debt, establishment of a new department, and working capital. **Office**—170 Varick St., N. Y. **Underwriters**—Harry Odzer Co., N. Y. and Bruno-Lenchner, Inc., Pittsburgh.

● **Mercury Photo Corporation (12/18-22)**
Sept. 26, 1961 filed 100,000 class A. **Price**—$5. **Business**—Processing and wholesaling of photographic film, etc. **Proceeds**—For expansion, equipment, and working capital. **Office**—275 Clinton Ave., Newark, N. Y. **Underwriter**—General Securities Co., S. Kasdan & Co., Inc., N. Y. C., and Dual Planning Corp., Garden City, N. Y.

Merit Associates, Inc.
Sept. 5, 1961 ("Reg. A") 75,000 common. **Price** — $4. **Business**—Plastic fabrication. **Proceeds**—For debt payment, equipment, advertising and working capital. **Office**—3 Sidney Court, Lindenhurst, N. Y. **Underwriters**—M. Posey Associates Ltd., and Alkow & Co., Inc., N. Y.

● **Met Food Corp. (11/6-10)**
Aug. 25, 1961 filed 150,000 common. **Price**—$4. **Business**—The distribution of food to retail stores in New York City. **Proceeds**—For general corporate purposes. **Office**—345 Underhill Blvd., Syosset, N. Y. **Underwriter**—Brand, Grumet & Seigel, Inc., N. Y. C. (mgr.)

Metal Bellows Corp.
Sept. 1, 1961 filed 140,000 common, of which 120,000 are to be offered by the company and 20,000 by a stockholder. **Price**—By amendment. **Business**—The manufacture of welded diaphragm bellows. **Proceeds**—For moving expenses, equipment, research and development, repayment of debt and working capital. **Office**—27 Mica Lane, Wellesley, Mass. **Underwriter**—Estabrook & Co., Boston.

Metallurgical International, Inc.
Sept. 26, 1961 filed 145,000 class A. **Price**—$3. **Business**—Reprocessing and manufacturing of rare refractory metals. **Proceeds**—Repay debt, taxes, purchase equipment, and working capital. **Office**—174 Main Ave., Wellington, N. J. **Underwriter**—Mortimer B. Burnside & Co., N. Y.

★ **Metatronics Manufacturing Corp.**
Oct. 18, 1961 filed 100,000 common. **Price**—$2. **Business**—Manufacture of electronic cases and containers, and precision sheet metal products. **Proceeds**—For debt repayment, and other corporate purposes. **Office** — 111 Bloomingdale Rd., Hicksville, N. Y. **Underwriter**—Frank Karasik & Co., N. Y.

★ **Metex Electronics Corp.**
Oct. 11, 1961 ("Reg. A") 3,750 common. **Price**—$8. **Business**—Manufacture of radio frequency shielding devices. **Proceeds**—For debt repayment. **Office**—Walnut Ave., Clark, N. J. **Underwriter**—None.

Metropolitan Acceptance Corp.
Oct. 2, 1961 filed $300,000 of 6% subordinated convertibles due 1967 and 60,000 common shares to be offered in units consisting of $100 of debentures and 20 common shares. **Price**—$150 per unit. **Business**—Financing of retail sales. **Proceeds**—For working capital. **Office**—5422 Western Ave., Chevy Chase, Md. **Underwriter** — R. Baruch & Co., Washington, D. C.

Metropolitan Telecommunications Corp.
Sept. 15, 1961 filed 240,000 common, of which 225,000 will be sold for the company and 15,000 for a stockholder. **Price**—By amendment. **Business**—The manufacture of communications equipment, transformers, filters, relays, etc. **Proceeds**—For the purchase of Grow Solvent Co., Inc., and for working capital. **Office**—Ames Court, Plainview, N. Y. **Underwriters**—M. L. Lee & Co., and Milton Blauner & Co., N. Y.

● **Micro-Lectric, Inc.**
June 12, 1961 ("Reg. A") 55,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and design of potentiometers used in computers, ground control guidance systems and missiles. **Proceeds**—For tooling and production; repayment of loans; equipment; advertising; research and development and working capital. **Office**—19 Debevoise Avenue, Roosevelt, N. Y. **Underwriter**—Underhill Securities Corp., N. Y. **Offering**—Imminent.

● **Micro-Precision Corp. (10/31)**
July 28, 1961 ("Reg. A") 100,000 common shares (par 20 cents). **Price**—$3. **Business**—The development and manufacture of language laboratories for the electronics educational field and the manufacture of electronic and micro-wave components. **Proceeds**—For expansion and working capital. **Office**—55 Ninth St., Brooklyn, N. Y. **Underwriters** — Manufacturers Securities Corp., New York (managing); Bioren & Co., Boenning & Co., Philadelphia, Chace, Whiteside & Winslow, Inc., Draper, Sears & Co., and Schirmer, Atherton & Co., Boston.

Micron Plastics Corp.
Sept. 15, 1961 ("Reg. A") 50,000 common. **Price**—$4. **Business**—Manufacture of plastic film. **Proceeds**—For building improvements, new equipment and working capital. **Office**—640 Dean St., Brooklyn. **Underwriter**—S. Schramm & Co., N. Y.

● **Middle Atlantic Credit Corp.**
July 27, 1961 filed $120,000 of 6½% subordinated debentures due 1971 and 60,000 common shares to be offered in units consisting of $200 of debentures and 100 shares of stock. **Price**—$500 per unit. **Business**—A commercial and industrial finance company. **Proceeds**—For working capital. **Office**—1518 Walnut St., Philadelphia. **Underwriters**—R. L. Scheinman & Co., and A. W. Benkert & Co., Inc., N. Y. **Offering**—Imminent.

Middle Atlantic Investment Co.
June 22, 1961 filed 70,000 common shares. **Price**—$10. **Business**—An investment company. **Proceeds**—For investment and working capital. **Address**—Elkins Park, Pa. **Underwriter**—Best & Garey Co., Inc., Wash., D. C. **Offering**—Imminent.

Midwest Budget & Loan Corp.
Sept. 12, 1961 filed $300,000 of 6% subordinated debentures due Aug. 1, 1973 to be offered in units of $500 and $1,000. **Business** — Purchasing of conditional sales contracts. **Office**—5806 W. Burleigh St., Milwaukee, Wis. **Underwriter**—The Marshall Co., Milwaukee.

Midwest Technical Development Corp. (11/6-10)
July 14, 1961 filed 800,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—2615 First National Bank Bldg., Minneapolis. **Underwriters** — Lee Higginson Corp., New York and Piper, Jaffray & Hopwood, Minneapolis.

Midwestern Financial Corp.
Aug. 28, 1961 filed 260,000 common, of which 75,000 are to be offered by the company and 185,000 by stockholders. **Price**—By amendment. **Business**—A holding company for savings and loan associations, mortgage companies, a manufacturing company, a small business investment company, etc. **Proceeds**—For repayment of debt. **Office**—2011-13th St., Boulder, Colo. **Underwriters**—Boettcher & Co. and Bosworth, Sullivan & Co., Inc., Denver (co-mgrs.)

Midwestern Investment Corp.
Oct. 16, 1961 filed 200,000 common. **Price**—$2. **Business**—Company plans to engage in the commercial finance and factoring business. **Proceeds**—General corporate purposes. **Office**—1730 K St., N. W., Washington, D. C. **Underwriter**—Affiliated Underwriters, Inc.

● **Milgray Electronics, Inc.**
Sept. 26, 1961 filed 166,667 common. **Price**—By amendment. **Business**—Wholesaler and distributor of electronic parts. **Office**—136 Liberty St., N. Y. **Underwriter**—Marron, Sloss & Co., Inc., N. Y. **Offering**—In late December.

Milo Components, Inc.
Aug. 15, 1961 ("Reg. A") 170,000 class A shares (par 10 cents). **Price**—$1. **Business**—The manufacture of precision components, assemblies for aircraft, armaments, computers, floor waxers and industrial vacuum cleaners. **Proceeds** — For equipment, research and development, repayment of loans and working capital. **Office** — 9 Cleveland Street, Valley Stream, N. Y. **Underwriter**—Nelson Securities, Inc., Hempstead, N. Y.

Minuit Investing Corp.
Aug. 4, 1961 ("Reg. A") 28,000 shares of 80 cents cumulative, participating preferred stock (par $1). **Price**—$10. **Business**—An investment company. **Proceeds**—For acquisitions, working capital and general corporate purposes. **Office**—225 Broadway, New York 7, N. Y. **Underwriter**—Pine Tree Securities, Inc., N. Y.

Miss Elliette, Inc.
Oct. 10, 1961 filed 100,000 common. **Price**—By amendment. **Business** — Design, manufacture and distribution of women's dresses. **Proceeds**—For debt repayment, inventory and expansion. **Office**—1919 S. Los Angeles St., Los Angeles. **Underwriter**—F. L. Rossmann & Co., N. Y. **Offering**—Expected in late November.

● **Missile Systems Corp. (12/4-8)**
Sept. 11, 1961 filed 140,000 common, of which 100,000 are to be offered by the company and 40,000 by the stockholders. **Price** — By amendment. **Business** — The manufacture of electro-mechanical assemblies and systems for weapons under government contracts; furnishing data processing and documentation services; the manufacture of multi-color harness and cable assemblies, and the manufacture of commercial lighting equipment. Proceeds—For working capital. **Office**—9025 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—George, O'Neill & Co., Inc., N. Y. (mgr.).

Missile-Tronics Corp. (10/30-11/3)
May 8, 1961 (letter of notification) 151,900 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacturers of technical equipment. **Proceeds** — For payment of loans; machinery and office equipment; reduction of current liabilities; research and development and working capital. **Office**—245 4th St., Passaic, N. J. **Underwriter** — Hopkins, Calamari & Co., Inc., 26 Broadway, N. Y.

Missouri Fidelity Life Insurance Co.
July 14, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—A life insurance company. **Proceeds**—To be added to capital and surplus accounts. **Office**—4221 Lindell Blvd., St. Louis. **Underwriter**—A. C. Allyn & Co., Chicago (mgr.). **Offering**—Imminent.

● **Mobile Estates, Inc.**
June 27, 1961 filed 140,000 common shares. **Price**—$6. **Proceeds**—To purchase land, construct and develop about 250 mobile home sites, form sales agencies and for working capital. **Office**—26 Dalbert, Carteret, N. J. **Underwriter**—Harry Odzer Co., N. Y. **Offering**—In late Dec.

Mobile Rentals Corp.
Oct. 13, 1961 filed 215,000 common, of which 165,000 are to be offered by the company and 50,000 by a stockholder. **Price**—By amendment. **Business**—Sale and leasing of trailers. **Proceeds**—For expansion, repayment of debt, and working capital. **Office**—8472 S. Figueroa St., Los Angeles. **Underwriters**—Kleiner, Bell & Co., Beverly Hills, Calif. and Hardy & Co., N. Y.

Molecular Dielectrics, Inc.
Sept. 1, 1961 filed 150,000 common, of which 135,000 are to be offered by the company and 15,000 by Cardia Co. **Price**—$5. **Business**—The manufacture of high-temperature electronic and electrical insulation materials. **Proceeds**—For equipment, a new product and working capital. **Office**—101 Clifton Blvd., Clifton, N. J. **Underwriters**—Street & Co., Inc. and Irving Weis & Co., N. Y.

● **Mon-Dak Feed Lot, Inc. (11/13-17)**
July 17, 1961 filed 150,000 common shares. **Price**—$3. **Business**—The breeding of livestock owned by others.

Proceeds—For drilling of water test wells, purchase of land, construction, general administrative costs and working capital. **Address**—Glendive, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

• Monmouth Capital Corp. (11/6-10)
Aug. 1, 1961 filed 200,000 shares of capital stock. **Price**—$10. **Business** — A small business investment company. **Office**—First National Bank Bldg., Main St., Freehold, N. J. **Underwriter**—Meade & Co., New York.

Monmouth Electric Co., Inc. (11/6-10)
Aug. 28, 1961 filed 200,000 common, of which 125,000 are to be offered by the company and 75,000 by stockholders. **Price**—$6. **Business**—Manufacture of electronic and electro-mechanical equipment. **Proceeds** — Machinery, repay loans and working capital. **Office**—1802 Corliss Ave., Neptune, N. J. **Underwriters**—Cruttenden, Podesta & Co., Chicago and Spear, Leeds & Kellogg, N. Y.

Monticello Lumber & Mfg. Co., Inc.
April 11, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Sale of lumber, building supplies and hardware. **Proceeds**—To repay loans and for working capital. **Address**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., N. Y.

• Motor Coils Manufacturing Co. (10/27)
July 27, 1961 filed 100,000 common. **Price**—$6.50. **Business**—Manufacture of armature, stator and field coils. **Proceeds**—Debt repayment, working capital and general corporate purposes. **Office**—110 Thirty-Second St., Pittsburgh. **Underwriter**—Golkin, Bomback & Co., N. Y.

• Municipal Investment Trust Fund, First Pa. Series (11/6-10)
April 28, 1961 filed $6,375,000 (6,250 units) of interests. **Price**—To be supplied by amendment. **Business**—The fund will invest in tax-exempt bonds of the Commonwealth of Pennsylvania and its political sub-divisions. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, N. Y. C.

• Municipal Investment Trust Fund, Series B
April 28, 1961 filed $12,750,000 (12,500 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, N. Y. C. **Offering**—Expected in early 1962.

• Murray Magnetics Corp. (11/13-17)
Aug. 15, 1961 filed 150,000 common shares. **Price**—$6. **Business**—The financing, exploitation and sale of a new line of electric kitchen and household appliances. **Proceeds**—For the purchase of inventory, sales promotion and working capital. **Office**—230 Fifth Ave., New York. **Underwriter**—Amos Treat & Co., Inc., N. Y.

NAC Charge Plan and Northern Acceptance Corp.
June 27, 1961 filed 33,334 class A common shares. **Price**—By amendment. **Proceeds**—For working capital. **Office**—16 East Pleasant St., Baltimore, Md. **Underwriter**—Sade & Co., Washington, D. C. (mgr.). **Offering**—Imminent.

• Nalley's, Inc. (12/4-8)
Oct. 9, 1961 filed 210,000 common, of which 130,000 are to be offered by the company and 80,000 by stockholders. **Price**—By amendment. **Business**—The production of food products. **Proceeds**—For a new plant, leasehold and plant improvement and working capital. **Office**—3410 S. Lawrence St., Tacoma, Wash. **Underwriter**—Blyth & Co., Inc., N. Y.

Narrows Premium Corp.
Sept. 25, 1961 filed 100,000 common. **Price**—$4. **Business**—Financing of casualty insurance premiums in New York State. **Proceeds**—General corporate purposes. **Office**—9805 Fourth Ave., Brooklyn, N. Y. **Underwriter**—Pearson, Murphy & Co., Inc., N. Y.

National Bowling Lanes, Inc. (11/20-24)
July 21, 1961 filed 150,000 capital shares. **Price**—$5.50. **Business**—The operation of bowling centers. **Proceeds**—For expansion, repayment of loans, and working capital. **Office** — 220 S. 16th Street, Philadelphia. **Underwriter**—Edward Lewis & Co., Inc., New York.

National Equipment & Plastics Corp.
Sept. 28, 1961 filed 105,000 common. **Price**—$5. **Business**—Operation of a cleaning and pressing plant and affiliated stores. **Proceeds**—For debt repayment, store expansion and working capital. **Address** — Portage, Pa. **Underwriter**—Cortlandt Investing Corp., N. Y.

National Hospital Supply Co., Inc. (11/6-10)
June 22, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Distribution of medical supplies. **Proceeds**—For inventory, advertising and promotion, expansion, repayment of loans and working capital. **Office**—38 Park Row, N. Y. **Underwriters**—Edward Lewis & Co., Inc. and Underhill Securities Corp., N. Y.

National Industries, Inc.
Aug. 28, 1961 ("Reg. A") 50,000 common. **Price**—$6. **Proceeds** — For equipment, inventory and operating expenses. **Office**—1622 Chestnut St., Philadelphia. **Underwriter**—Mayo & Co., Inc., Philadelphia.

National Recreation Corp.
Sept. 27, 1961 filed 337,500 common. **Price**—$8. **Business**—Operates a national chain of bowling centers. **Proceeds**—For the acquisition of new centers, repayment of debt and for working capital. **Office**—Time and Life Bldg., N. Y. **Underwriter**—Berger-Derman, Inc., N. Y.

• National Semiconductor Corp. (11/13-17)
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters**—Lee Higginson Corp., N. Y. C. and Piper, Jaffray & Hopwood, Minneapolis (mgr.).

National Systems Corp.
Sept. 28, 1961 ("Reg. A") 70,000 capital. **Price**—$4. **Proceeds**—For equipment, improvement of a TV repair course and working capital. **Office**—1036 S. La Brea Ave., Los Angeles. **Underwriter**—Gregory-Massari, Inc., Beverly Hills.

National Tel-Tronics Corp.
Sept. 11, 1961 filed 133,000 common. **Price**—$3. **Business**—The manufacture of electronic components. **Proceeds**—For repayment of a loan, expansion, new products, working capital and general corporate purposes. **Office**—52 St. Casimer Ave., Yonkers, N. Y. **Underwriter**—Frank Karasik & Co., Inc., N. Y. (mgr.).

★ Nationwide Bowling Corp.
Oct. 19, 1961 filed 100,000 capital shares (with attached warrants). **Price**—By amendment. **Business**—The operation of bowling centers. **Proceeds**—For a realty acquisition and working capital. **Office** — 11 Commerce St., Newark, N. J. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia.

• Natpac Inc. (10/30-11/3)
July 28, 1961 filed 100,000 common shares. **Price**—$4.75. **Business**—The processing of meat and frozen food products; the financing, sale and servicing of home food freezers, and the operation of a supermarket. **Proceeds**—For consumer time payments, expansion, and working capital. **Office** — 93-25 Rockaway Blvd., Ozone Park, N. Y. **Underwriters**—William, David & Motti, Inc., and Flomenhaft, Seidler & Co., Inc., New York.

★ Nevada Consolidated Mines, Inc.
Oct. 19, 1961 ("Reg. A") 96,000 common (par 25c). **Price**—$2. **Proceeds**—For expenses incidental ot mining operations. **Office**—c/o John M. Bennett, 200 W. 57th St., N. Y. **Underwriter**—None.

New Campbell Island Mines Ltd.
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—50c. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes. **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. MacPherson & Co., Toronto.

New West Land Corp.
June 30, 1961 ("Reg. A") 200,000 common shares (par $1). **Price**—$1.50. **Proceeds**—For repayment of notes and acquisition of real estate interests. **Office**—3252 Broadway, Kansas City, Mo. **Underwriter** — Barret, Fitch, North & Co., Kansas City, Mo.

North American Acceptance Corp.
Sept. 18, 1961 filed 100,000 common. **Price**—$8.50. **Business**—Automobile retail sales financing. **Proceeds**—For working capital. **Office**—66 East South Water St., Chicago. **Underwriter**—Hornblower & Weeks, N. Y.

North Atlantic Industries, Inc.
Sept. 26, 1961 filed 131,500 common, of which 120,000 will be sold by the company and 11,500 by a stockholder. **Price**—By amendment. **Business**—Manufacture of precision electronic instruments. **Proceeds**—Repayment of debt, new product development, inventory and working capital. **Office**—Terminal Dr., Plainview, N. Y. **Underwriter**—G. A. Saxton & Co., Inc., N. Y.

• North Carolina Natural Gas Corp. (11/13-17)
Aug. 17, 1961 filed $2,250,000 of convertible second mortgage pipeline bonds due 1981. **Price** — By amendment. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office** — Grace Fittman Bldg., Fayetteville, N. C. **Underwirters** — Kidder, Peabody & Co., N. Y.

Northern Natural Gas Co.
Sept. 8, 1961 filed 428,981 common being offered for subscription by stockholders on the basis of one for each 20 held of record Oct. 17, with rights to expire Oct. 31. **Price**—$35. **Proceeds**—Repayment of debt, and construction. **Office**—2223 Dodge St., Omaha, Neb. **Underwriter**—Blyth & Co., Inc., N. Y.

★ Northern Natural Gas Co.
Oct. 20, 1961 filed $20,000,000 of sinking fund debentures due 1981. **Price**—By amendment. **Proceeds**—For construction. **Office**—2223 Dodge St., Omaha, Neb. **Underwriter**—Blyth & Co., Inc., N. Y.

• Nuclear Corp. of America
Aug. 11, 1961 filed $2,087,800 of 5½% convertible subordinated debentures due 1976 being offered for subscription by stockholders on the basis of $100 of debentures for each 300 shares held of record Oct. 23 with rights to expire Nov. 8, 1961. **Price**—At par. **Business**—The refining of rare earths and the manufacture of radiation instruments and vacuum tubes. **Proceeds**—For repayment of loans and working capital. **Office**—3540 W. Osborn Road, Phoenix. **Underwriter**—Bear, Stearns & Co., N. Y.

Nutri-Bio Corp.
Oct. 17, 1961 filed 1,200,000 common. **Price**—$5. **Business**—Distribution and sale of vitamins, minerals and dietary food supplements. **Proceeds**—For selling stockholders. **Office** — 291 S. La Cienega Blvd., Beverly Hills, Calif. **Underwriter** — Vickers, McPherson & Warwick, Inc., N. Y.

Nutri-Laboratories, Inc.
Sept. 14, 1961 filed 100,000 common. **Price**—$5. **Business**—The manufacture and distribution of animal foods and dog products. **Proceeds** — For marketing of "Doctor's Choice" brand, working capital and operating expenses. **Office**—1511 K St., N. W., Washington, D. C. **Underwriter**—Hirschel & Co., Silver Spring, Md.

★ Nuveen Tax-Exempt Bond Fund, Series 3
Oct. 17, 1961 filed $15,300,000 of units representing fractional interests in the Fund. **Price** — By amendment. **Business**—The Fund will invest in interest bearing obligations of states, counties and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

★ Nuveen Tax-Exempt Bond Fund, Series 4
Oct. 17, 1961 filed $15,000,000 of units representing fractional interests in the Fund. **Price**—By amendment. **Business**—The Fund will invest in interest-bearing obligations of states, counties, and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

Oceanic Instruments, Inc. (11/6-10)
Aug. 24, 1961 filed 140,000 common. **Price**—$1. **Business**—The company plans to manufacture scientific marine instruments and provide consultation services. **Proceeds**—For organizational expenses and purchase of equipment. **Office**—1515 Norton Bldg., Seattle. **Underwriter**—Globus, Inc., N. Y.

• Old Empire, Inc.
May 1, 1961 filed $950,000 of convertible subordinated debentures due 1971. **Price** — At par. **Business** — The manufacture, packaging and distribution of cosmetics, pharmaceuticals and household, chemical and industrial specialties. **Proceeds**—For the repayment of bank loans, property improvements and working capital. **Office**—865 Mt. Prospect Avenue, Newark, N. J. **Underwriter**—Laird, Bissell & Meeds, N. Y. **Offering**—In early Nov.

Olympia Mines, Inc.
Sept. 1, 1961 filed 300,000 capital shares. **Price**—$1.35. **Business**—The exploration and development of mines. **Proceeds**—For mining operations. **Office**—44 Court St., Brooklyn, N. Y. **Underwriter** — Gaumont Corp., Ltd., Toronto.

• Orbit Industries, Inc. (11/13-17)
Aug. 22, 1961 filed 125,000 common shares. **Price**—$4. **Business** — Research, development, engineering and manufacturing in the telephone, electronics and related fields. **Proceeds**—For repayment of loans, and equipment. **Office**—213 Mill St., N. E., Vienna, Va. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

• Orbit Instrument Corp. (11/6-10)
Aug. 29, 1961 filed 100,000 capital shares. **Price**—$4. **Business** — Production of miniature precision electromechanical components. **Proceeds**—Equipment, products, expansion and repayment of loans. **Office**—131 Eileen Way, Syosset, N. Y. **Underwriter**—Hardy & Co., N. Y.

Originala Inc. (11/20-24)
Aug. 29, 1961 filed 150,000 common. **Price**—$9.25. **Business**—The manufacture of women's coats. **Proceeds**—For the selling stockholders. **Office**—512 Seventh Ave., N. Y. **Underwriters** — Globus, Inc., and Divine & Fishman, Inc., N. Y.

Orion Electronics Corp.
Aug. 28, 1961 filed 100,000 common. **Price**—$3.50. **Business**—The manufacture of precision electronic sub-systems for the generation, detection and control of frequencies up through the microwave region. **Proceeds**—For expansion, equipment and working capital. **Address**—Tuckahoe, N. Y. **Underwriter**—A. D. Gilhart & Co., Inc., N. Y. C.

★ Orlando Paper Corp.
Oct. 11, 1961 ("Reg. A") 80,000 common. **Price**—$2.50. **Business**—Manufacturer of miscellaneous paper products. **Proceeds**—For debt repayment and general corporate purposes. **Office**—Oceanside, L. I., N. Y. **Underwriter**—Professional & Executive Planning Corp., Long Beach, New York.

Osrow Products Co., Inc.
July 28, 1961 ("Reg. A") 60,000 common shares (par 10 cents). **Price**—$5. **Business**—The manufacture of car and window washing equipment. **Proceeds**—For working capital, research and development, new products and general corporate purposes. **Office**—115 Hazel Street, Glen Cove, L. I., N. Y. **Underwriter**—General Securities Co., Inc., N. Y. **Offering**—Imminent.

Oz Publishing Corp.
Sept. 15, 1961 filed 140,000 common. **Price**—By amendment. **Business** — The design, production and sale of greeting cards. **Proceeds** — For the repayment of debt, installation of additional equipment. modernization of a department and working capital. **Office**—156 Fifth Ave., N. Y. **Underwriter**—Laren Co., N. Y.

• Ozon Products. Inc.
Sept. 28, 1961 filed 105,000 common. **Pirce**—By amendment. **Business**—Manufacture of toiletries and cosmetics. **Proceeds**—For repayment of debt and working capital. **Office**—50 Wallabout St., Brooklyn, N. Y. **Underwriter**—Carter, Berlind, Potoma & Weill, N. Y. **Offering**—Expected in late November.

PCS Data Processing, Inc.
Oct. 6, 1961 filed 100,000 common of which 50,000 are to be offered by the company and 50,000 by stockholders. **Price**—$3.75. **Business**—Furnishing of statistical information. **Proceeds**—For training personnel, new equipment, expansion and working capital. **Office**—75 W. St., N. Y. **Underwriters**—Harry Odzer Co., N. Y., and Lenchner, Covato & Co., Inc., Pittsburgh, Pa. **Offering**—Expected in December.

P-G Products Manufacturing Co., Inc.
Oct. 10, 1961 filed 110,055 common. **Price**—By amendment. **Business** — Manufactures appliance replacement parts and accessories. **Proceeds** — For debt repayment, expansion and working capital. **Office**—230 E. 162nd St., N. Y. **Underwriters**—Kahn & Peck, Cohn & Co., N. Y.

★ Pacific Northwest Bell Telephone Co. (11/15)
Oct. 24, 1961 filed $50,000,000 of debentures due 1994. **Proceeds** — For the repayment of debt. **Office** — 1200 Third Ave., Seattle. **Underwriters**—(Competitive). Prob-

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able bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Nov. 15 (11 a.m. EST). **Information Meeting**—Nov. 9 (2:30 p.m.) in Room 1900, 195 Broadway, N. Y.

Pacific Nutrient & Chemical Co.
Sept. 15, 1961 filed 120,000 common. **Price**—$4. **Business**—The manufacture and sale of chemical fertilizers, animal nutrients, crop seeds, insecticides, etc. **Proceeds**—For additional equipment, a new plant and working capital. **Office** — North Oak and Hazel St., Burlington, Wash. **Underwriter**—Joseph Nadler & Co., N. Y.

Pacific States Steel Corp.
June 21, 1961 filed 100,000 outstanding shares of capital stock (par 50 cents) to be sold by stockholders. **Price**—$6. **Business**—The manufacture of steel products. **Proceeds**—For the selling stockholder. **Office**—35124 Alvarado-Niles Road, Union City, Calif. **Underwriters**—First California Co., Inc., and Schwabacher & Co., San Francisco (mgr.). **Offering**—Indefinitely postponed.

● **Fakco Management & Development Co. (11/13-17)**
Aug. 25, 1961 filed 310,000 common. **Price**—$11. **Business**—The large scale production of blueberries, cranberries, etc. **Proceeds**—For repayment of loans, property improvements and general corporate purposes. **Office**—104 Bellevue Ave., Hammonton, N. J. **Underwriter**—Woodcock, Moyer, Fricke & French, Philadelphia (mgr.).

Pako Corp. (11/20-24)
Sept. 25, 1961 filed 150,000 common, of which 100,000 will be sold by the company and 50,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of equipment used to process and print photographs. **Proceeds**—Working capital. **Office**—6300 Olson Hwy., Minneapolis. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y.

Palmetto Pulp & Paper Corp.
June 28, 1961 filed 1,000,000 common. **Price**—$3.45. **Business**—The growth of timber. **Proceeds**—Working capital and the possible purchase of a mill. **Address**—Box 199, Orangeburg, S. C. **Underwriter**—Stone & Co.

Pan-Alaska Fisheries, Inc. (11/6-10)
July 26, 1961 filed 120,000 common. **Price**—By amendment. **Business**—Processing of Alaska king crab. **Proceeds** — Acquisition of fishing boats, equipment and working capital. **Office**—Dexter Horton Bldg., Seattle. **Underwriter**—Robert L. Ferman & Co., Inc., N. Y.

Paradynamics Inc.
Sept. 5, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—The company will produce micro-wave test equipment and components. **Proceeds**—For equipment, advertising, research and development and working capital. **Office**—51 Urban Ave., Westbury, N. Y. **Underwriter**—Karen Securities Corp., N. Y.

Paragon Pre-Cut Homes, Inc.
Aug. 25, 1961 filed $1,000,000 of 15-year sinking fund debentures due 1976 (with warrants attached) and 100,000 common to be offered in 10,000 units each consisting of 10 common and $100 of debentures. **Price**—By amendment. **Business**—The packaging and direct sale of precut home building materials. **Proceeds**—For repayment of loans and working capital. **Office**—499 Jericho Turnpike, Mineola, N. Y. **Underwriter**—L. F. Rothschild & Co., N. Y. C. (mgr.).

● **Paramount Foam Industries (12/4-8)**
Sept. 25, 1961 filed 137,500 common. **Price**—By amendment. **Business**—The manufacture of polyester foams. **Proceeds** — Additional equipment, debt repayment and working capital. **Office**—Mercer and Arnot Sts., Lodi, N. J. **Underwriters** — Fialkov & Co., Inc., and Stanley Heller & Co., N. Y.

Pavelle Corp. (11/6-10)
Aug. 22, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—Research and development in the field of color photography and the manufacture of commercial color photographic processing equipment. **Proceeds**—For expansion, research and repayment of loans. **Office**—Time & Life Bldg., Rockefeller Center, New York. **Underwriter**—Bear, Stearns & Co., New York.

Pellegrino Aggregate Technico, Inc.
Aug. 10, 1961 filed 130,000 class A common shares. **Price**—$5. **Business**—The manufacture of building materials. **Proceeds**—For payment of income taxes and loans and for working capital. **Office**—Woodbridge-Carteret Road, Port Reading, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York.

Penn Optical, Inc. (11/6-10)
Sept. 18, 1961 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Development and manufacture of optical equipment and precision instruments. **Office**—2930 S. Bristol St., Costa Mesa, Calif. **Underwriter**—Francis J. Mitchell & Co., Inc., Newport Beach, Calif.

Pennon Electronics Corp.
Sept. 28, 1961 ("Reg. A") 135,000 common. **Price**—$2.20 **Business**—Manufacture of solid state electronic devices. **Proceeds**—For working capital. **Office**—7500 S. Garfield Ave., Bellgardens, Calif. **Underwriter**—Darius Inc., N. Y.

Personal Property Leasing Co.
Oct. 13, 1961 filed $2,000,000 of conv. subord. debentures due 1976. **Price**—By amendment. **Business**—Leasing of equipment to industrial and commercial firms. **Proceeds**—For purchase of equipment and collateral for bank credit. **Office**—6381 Hollywood Blvd., Los Angeles. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

Philippine Oil Development Co., Inc.
Sept. 25, 1961 filed 95,270,181 capital shares to be offered for subscription by common stockholders on the basis of one new share for each six held of record Sept. 9. **Price**—One cent. **Business**—Exploration for oil in the Philippines. **Proceeds**—Repayment of debt and the drilling of test wells. **Office**—Manila, Philippines. **Underwriter**—None.

Photo-Animation, Inc. (11/6-10)
July 26, 1961 filed 150,000 common shares. **Price**—$1.25. **Business**—The manufacture of machines, equipment and devices used in the creation of animated motion pictures. **Proceeds**—For development of new products, repayment of loans and working capital. **Office** — 34 S. West St., Mount Vernon, N. Y. **Underwriter**—First Philadelphia Corp., New York.

Photon, Inc.
Aug. 24, 1961 filed $1,785,000 of 5% convertible subordinated income debentures due 1971 to be offered for subscription by stockholders on the basis of $100 of debentures for each 40 common held. **Price**—At par. **Business**—The manufacture of a photographic type setting machine. **Proceeds**—For repayment of a loan and working capital. **Office** — 58 Charles St., Cambridge, Mass. **Underwriter**—None.

● **Pickwick International, Inc.**
July 27, 1961 filed 100,000 common shares. **Price** — $3. **Business**—The distribution of phonograph records. **Proceeds**—For advertising and promotion, merchandising, repayment of loans, additional personnel, working capital and other corporate purposes. **Office** — 8-16 43rd Ave., Long Island City, N. Y. **Underwriter**—William, David & Motti, Inc., N. Y. **Offering**—Imminent.

● **Pictorial Production, Inc. (11/13-17)**
Aug. 29, 1961 filed 149,178 common, of which 25,000 are to be offered by the company and 124,178 by stockholders. **Price**—$10. **Business**—Research, development and production in the field of lenticular optics. **Proceeds**—For construction and equipment. **Office**—60 Kingsbridge Rd., E. Mt. Vernon, N. Y. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y. C (mgr.).

● **Piedmont Natural Gas Co., Inc.**
Sept. 14, 1961 filed 126,832 common being offered for subscription by stockholders on the basis of one for each 10 held of record Oct. 26 with rights to expire Nov. 13, 1961. **Price**—By amendment. **Proceeds**—For expansion. **Office**—523 South Tryon St., Charlotte, N. C. **Underwriter**—White, Weld & Co., N. Y.

Pioneer Astro Industries, Inc.
July 27, 1961 filed 150,000 common. **Price**—By amendment. **Business** — Manufacture of precision machined components and assemblies for missile guidance systems. **Proceeds**—New plant, additional equipment and working capital. **Office**—7401 W. Lawrence Ave., Chicago. **Underwriter**—Francis I. du Pont & Co., N. Y. **Offering**—Expected sometime in November.

● **Pittsburgh Steel Co.**
Sept. 13, 1961 filed 1,110,617 common being offered for subscription by stockholders on the basis of 7 for each 10 held of record Oct. 26 with rights to expire Nov. 10. **Price**—By amendment. **Proceeds**—For expansion. **Office**—1600 Grant Bldg., Pittsburgh 30, Pa. **Underwriter**—Kuhn, Loeb & Co., Inc., N. Y.

Plastic Industries, Inc.
Sept. 28, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Design and manufacture of women's handbags. **Proceeds**—Debt repayment and working capital. **Office**—6700 N. W. 37th Court, Miami, Fla. **Underwriter**—Ellis Securities, Inc., Great Neck, N. Y.

Plastiline, Inc.
Sept. 27, 1961 filed 100,000 common. **Price**—$3. **Business**—Manufacture of plastic products. **Proceeds**—For new molds, inventory, repayment of loans and working capital. **Office**—1251 N. E. 48th St., Pompano Beach, Fla. **Underwriter**—Godfrey, Hamilton, Taylor & Co., Inc., N. Y.

Platt Corp. (11/6-10)
July 26, 1961 filed 220,000 common. **Price**—$5. **Business**—Real estate investment, management and construction. **Proceeds**—For investment in additional properties. **Office**—673 Fifth Ave., N. Y. **Underwriter**—First Weber Securities Corp., N. Y.

Plymouth Discount Corp.
Aug. 28, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Consumer sales financing. **Proceeds**—For repayment of notes and working capital. **Office** — 2211 Church Ave., Brooklyn, N. Y. **Underwriter**—M. Posey Associates, Ltd., 50 Broadway, N. Y.

● **Policy-Matic Affiliates, Inc.**
Oct. 16, 1961 filed 200,000 capital shares. **Price**—$3.25. **Business**—Leasing of insurance vending machines. **Proceeds**—General corporate purposes. **Office**—1001 15th St., N. W., Washington, D. C. **Underwriter**—Balogh & Co., Inc., Washington, D. C. **Offering**—In December.

Polytronic Research, Inc.
June 7, 1961 filed 193,750 common shares, of which 150,000 will be sold for the company and 43,750 for stockholders. **Price**—By amendment. **Business**—Research and development, engineering and production of certain electronic devices for aircraft, missiles, oscilloscopes, electronic vending machines and language teaching machines. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—7326 Westmore Rd., Rockville, Md. **Underwriters**—Jones, Kreeger & Co., and Balogh & Co., Washington, D. C. (managing).

● **Popular Library, Inc.**
Oct. 17, 1961 filed 127,500 capital shares. **Price** — By amendment. **Business**—Publishing of paperback books and magazines. **Proceeds**—General corporate purposes. **Office**—355 Lexington Ave., N. Y. **Underwriter**—Sutro Bros. & Co., N. Y. **Offering**—Sometime in December.

Precision Metal Products, Inc.
Oct. 5, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Proceeds**—For debt repayment, inventory, equipment and working capital. **Office**—278 N. W. 27th St., Miami, Fla. **Underwriter**—Armstrong & Co., Inc., N. Y.

Precision Microwave Corp. (11/6-10)
Aug. 21, 1961 filed 165,000 common shares, of which 115,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$10. **Business**—The manufacture of specialized microwave components for radar, missiles and communication systems. **Proceeds**—For working capital, inventories and equipment. **Office**—Main Street, Millis, Mass. **Underwriter**—Peter Morgan & Co., New York.

● **Preco Industries, Inc.**
Aug. 25, 1961 filed 100,000 common. **Price**—$4. **Business**—The sale of custom built swimming pools. **Proceeds**—For repayment of loans and working capital. **Office**—203 Bala Ave., Bala Cynwyd, Pa. **Underwriter**—Dean Samitas & Co., N. Y. **Offering**—In mid-November.

President Airlines, Inc.
June 13, 1961 ("Reg. A") 150,000 class A common shares (par one cent). **Price**—$2. **Business**—Air transportation of passengers and cargo. **Proceeds**—For payment of current liabilities and taxes; payment of balance on CAB certificate and working capital. **Office** — 630 Fifth Avenue, Rockefeller Center, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J. **Note**—This offering has been temporarily postponed.

★ **Prestige Capital Corp.**
Oct. 19, 1961 filed 200,000 common. **Price**—$5. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—485 Fifth Ave., N. Y. **Underwriters**—D. Gleich & Co., N. Y., and Laird, Bissell & Meeds, Wilmington, Del.

Prevor-Mayrsohn International, Inc.
July 31, 1961 ("Reg. A") 80,000 common shares (par 10 cents). **Price**—$3.75. **Business**—Export, import, brokerage and wholesale marketing of fruits, vegetables and poultry. **Proceeds**—For expansion, sales promotion, advances to growers, working capital and general corporate purposes. **Office** — 99 Hudson Street, New York. **Underwriter**—J. J. Krieger & Co., Inc., New York.

Pride Industries, Inc.
Aug. 29, 1961 filed 75,000 common. **Price**—$5. **Business**—The sale of pet foods. **Proceeds**—For inventory, repayment of a loan, machinery, new products, advertising, **Office**—4408 Fairmount Ave., Philadelphia. **Underwriter**—Steven Investment Corp., Bala Cynwyd, Pa. **Offering**—In late November.

Product Research of Rhode Island, Inc. (11/6-10)
July 28, 1961 filed 330,000 common shares. **Price**—$2.05. **Business** — The manufacture of vinyl plastic products used in the automotive, marine and household fields. **Proceeds**—For repayment of debt, new equipment and working capital. **Office** — 184 Woonasquatucket Avenue, Nort Providence, R. I. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

Programming and Systems, Inc.
Oct. 11, 1961 filed 40,000 common. **Price**—$3.50. **Business**—Instructs classes in computer programming and the operation of electronic data processing machines. **Proceeds**—For expansion. **Office**—45 W. 35th St., N. Y. **Underwriter**—D. M. Stuart & Co., Inc., N. Y.

Programs For Television, Inc.
Aug. 29, 1961 filed 150,000 common. **Price**—By amendment. **Business** — The distribution of films for motion pictures and television. **Proceeds**—For repayment of debt and working capital. **Office**—1150 Avenue of the Americas, N. Y. **Underwriter**—To be named.

Progressitron Corp.
June 9, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Manufacturers of electronic, electro mechanical and mechanical devices. **Proceeds**—For general corporate purposes. **Office**—14-25 128th St., College Point, N. Y. **Underwriter**—Netherlands Securities Co., New York.

Prufcoat Laboratories, Inc.
Sept. 25, 1961 filed 60,000 common, of which 13,000 shares are to be offered by the company and 47,000 by a stockholder. **Price**—By amendment. **Business**—Development and production of plastic-base protective coatings, paints and primers. **Proceeds**—Purchase of equipment and other corporate purposes. **Office**—63 Main St., Cambridge, Mass. **Underwriter** — Chace, Whiteside & Winslow, Inc., Boston.

Publishers Co., Inc. (11/6-10)
Aug. 29, 1961 filed $1,200,000 of 6% subordinated convertible debentures due 1967. **Price**—At par. **Business**—The publishing of books. **Proceeds**—For redemption of outstanding 12% debentures due 1965 and for expansion. **Office**—1106 Connecticut Ave., N.W., Washington, D.C. **Underwriter**—Roth & Co., Inc., Philadelphia.

Publishers Vending Services, Inc.
July 3, 1961 filed $600,000 of 5½% convertible subordinated debentures due 1971; 120,000 common shares which underlie 2-year first warrants exercisable at $7.50 per share, and 120,000 common shares which underlie 5-year second warrants, exercisable at $10 per share. The securities are to be offered for public sale in units of one $100 debenture, 20 first warrants and 20 second warrants. **Price**—$100 per unit. **Business**—The design, manufacture, sale and leasing of coin-operated vending machines for magazines, newspapers and paperback books. **Proceeds**—For the repayment of debt, advertising, sales promotion, and the manufacture of new machines. **Office**—1201 South Clover Drive, Minneapolis. **Underwriter**—D. H. Blair & Co., New York.

Puerto Rico Capital Corp.
Sept. 13, 1961 filed 750,000 common. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Address**—San Juan, Puerto Rico. **Underwriter**—Hill, Darlington & Grimm, N. Y.

Pulp Processes Corp.
Sept. 20, 1961 filed 140,000 common. **Price**—$5. **Business**—Development of pulping and bleaching devices. **Proceeds**—General corporate purposes. **Office**—Hoge Bldg., Seattle, Wash. **Underwriter**—Wilson, Johnson & Higgins, San Francisco. **Offering**—Expected in late November.

Pulsa-Tronics, Inc.
Sept. 28, 1961 filed 100,000 common. **Price**—$3.25. **Business**—The manufacture of a massaging mattress. **Proceeds**—For establishment of distributorships, purchase of materials, repayment of debt, advertising and working capital. **Office**—5913 Carrier St., N., St. Petersburg, Fla. **Underwriters**—To be named.

Pyrometer Co. of America, Inc.
Sept. 26, 1961 filed 300,000 common. **Price**—By amendment. **Business** — Design and manufacture of thermocouple temperature transducers and electronic indicating and controlling instruments. **Proceeds**—To finance the purchase of Hamilton Manufacturing Co., Inc. **Office**—600 E. Lincoln Highway, Penndel, Pa. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

Quartite Creative Corp.
Sept. 27, 1961 filed 100,000 common. **Price**—$5. **Business**—Manufacture of home furnishing products. **Proceeds**—For research, new products and working capital. **Office**—34-24 Collins Place, Flushing, N. Y. **Underwriter**—Shell Associates, Inc. and Godfrey, Hamilton, Taylor & Co., N. Y.

Quik-Chek Electronics & Photo Corp.
Sept. 28, 1961 filed 110,000 common, of which 70,000 shares are to be offered by the company and 40,000 by stockholders. **Price**—$10. **Business**—Manufacture of self-service tube testers and the sale of television, radio and high fidelity receiving tubes. **Proceeds**—For debt repayment and working capital. **Office**—5212 Pulaski Ave., Philadelphia. **Underwriter**—J. R. Williston & Beane, N. Y. **Offering**—Expected sometime in December.

● **Rabin-Winters Corp.**
June 19, 1961 filed 180,000 common shares of which 80,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacturer of pharmaceuticals, cosmetics, lighter fluid and related items. **Proceeds**—To repay loans and for working capital. **Office**—700 N. Sepulveda Blvd., El Segundo, Calif. **Underwriter** — To be named. **Note**—This registration was withdrawn.

Radar Design Corp.
Sept. 22, 1961 ("Reg. A") 25,000 common. **Price**—At-the-market. **Business**—Manufacture of electronic products. **Proceeds** — For acquisition of a laboratory, equipment and working capital. **Office**—104 Pickard Dr., Syracuse, N. Y. **Underwriters**—Bertner Bros., N. Y.; Earl Edden Co., Rockville Centre, N. Y. and Max Philipson & Co., Inc., Utica, N. Y.

Ragen Precision Industries, Inc.
Aug. 31, 1961 filed 100,000 common. **Price**—By amendment. **Business** — The manufacture of precision parts, components, assemblies and subassemblies for the business machine, electronic and aircraft industries. **Proceeds** For equipment, repayment of loans and general corporate purposes. **Office**—9 Porette Ave., North Arlington, N.J. **Underwriter**—Marron, Sloss & Co., Inc., N.Y. (mgr.).

Rainbow Photo Laboratories, Inc.
Sept. 28, 1961 filed 150,000 common. **Price**—By amendment. **Business**—Processing of film and distributing of photographic equipment. **Proceeds**—For moving expenses, expansion, advertising and promotion, repayment of debt and working capital. **Office**—29-14 Northern Blvd., Long Island City, N. Y. **Underwriter**—Rodetsky, Walker & Co., Inc., Jersey City.

● **Rantec Corp. (11/28)**
Oct. 16, 1961 filed 100,000 common, of which 50,000 are to be offered by the company and 50,000 by stockholders. **Price**—By amendment. **Business**—Design, development and manufacture of microwave components. **Proceeds**—General corporate purposes. **Office**—23999 Ventura Blvd., Calabasas, Calif. **Underwriter**—Blyth & Co., Inc., N. Y.

★ **Rapid Film Technique, Inc.**
Sept. 19, 1961 filed 70,000 common. **Price**—$4. **Business**—The rejuvenating and repairing of motion picture film. **Proceeds**—For debt repayment and general corporate purposes. **Office**—37-02 27th St., Long Island City, N. Y. **Underwriter**—Herbert Young & Co., Inc., N. Y.

Raritan Plastics Corp.
Sept. 28, 1961 filed 100,000 class A common. **Price**—$5. **Business**—Extrusion of plastic sheets. **Proceeds**—Equipment, debt repayment and working capital. **Office**—1 Raritan Rd., Oakland, N. J. **Underwriter**—Gianis & Co., Inc., N. Y.

● **Raymond Engineering Laboratory, Inc. (11/6-10)**
Aug. 15, 1961 filed 100,000 common shares, of which 50,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of timing devices, accelerometers and related equipment for missiles, satellites and space vehicles. **Proceeds**—For repayment of loans, equipment, and working capital. **Office**—Smith Street, Middletown, Conn. **Underwriter** — Lee Higginson Corp., New York

Real Estate Fund, Inc.
Sept. 28, 1961 ("Reg. A") 14,634 units each consisting of seven common shares and one 20-year 6% convertible subordinated debenture. **Price**—$20.50 per unit. **Business**—Development and operation of shopping centers and other properties. **Proceeds**—General corporate purposes. **Address**—Greenville, S. C. **Underwriter**—McCarley & Co., Inc., Asheville, N. C.

Realtone Electronics Corp.
Aug. 16, 1961 filed 100,000 common shares. **Price**—$4. **Business** — The marketing of transistorized radios and related equipment. **Proceeds**—Repayment of loans and general corporate purposes. **Office**—71 Fifth Ave., New York. **Underwriter**—Lieberbaum & Co., N. Y. **Offering**—Expected in mid-December.

● **Realty Equities Corp. of New York (11/27-12/1)**
Sept. 28, 1961 filed $1,675,800 of subord. debentures due 1971 (with warrants attached) to be offered for subscription by stockholders in 16,758 units, each consisting of $100 of debentures and a warrant to purchase 12.5 shares on the basis of one unit for each 20 shares held. **Price**—$100 per unit. **Business**—General real estate and construction. **Proceeds**—General corporate purposes. **Office**—666 Fifth Ave., N. Y. **Underwriter**—Sutro Bros. & Co., New York.

★ **Recco, Inc.**
Oct. 19, 1961 filed 75,000 class A shares. **Price** — By amendment. **Business**—Operates record, card and stationery departments in discount stores. **Proceeds**—For expansion. **Office**—1211 Walnut St., Kansas City, Mo. **Underwriters** — Midland Securities Co., Inc., Kansas City, Mo.

Recreation Associates, Inc.
Aug. 14, 1961 filed 100,000 class A common. **Price**—$3. **Business**—The operation of a bowling center. **Proceeds**—For working capital. **Office**—8905 Columbia Pike, Falls Church, Va. **Underwriter**—None.

● **Red Rope Stationery Industries, Inc. (11/6-10)**
Aug. 23, 1961 filed 160,000 common. **Price**—$3.50. **Business**—The manufacture of stationery supplies. **Proceeds**—For working capital, equipment, expansion and repayment of debt. **Office**—70 Washington St., Brooklyn, N. Y. **Underwriter**—George, O'Neill & Co., Inc., N. Y. (mgr.).

● **Red Wing Fiberglass Products, Inc. (11/13-17)**
July 28, 1961 ("Reg. A") 260,000 common. **Price**—$1.15. **Proceeds** — Debt repayment, building improvements, equipment, research and development, and working capital. **Office**—Industrial Park, Red Wing, Minn. **Underwriter**—York & Mavroulis, Minneapolis.

● **Regal Homes, Inc. (11/13-17)**
Aug. 15, 1961 filed 51,000 capital shares. **Price**—$12. **Business**—For construction and sale of "shell" homes and mortgage financing. **Proceeds**—For working capital. **Address**—Hopkinsville, Ky. **Underwriter**—J. J. B. Hilliard & Sons, Louisville.

Reiker Simmons Research Inc.
May 8, 1961 filed 150,000 shares of capital stock. **Price**—$6 per share. **Business**—The research and development of processes in the field of surface and biochemistry. **Proceeds**—For plant construction, equipment, research and development, sales promotion and working capital. **Office**—545 Broad St., Bridgeport, Conn. **Underwriter**—McLaughlin, Kaufmann & Co. (mgr.). **Offering**—Expected in November.

● **Rexach Construction Co., Inc. (11/9)**
July 28, 1961 filed 200,000 common. **Price**—$10. **Business**—Construction of highways, buildings and homes. **Proceeds**—For repayment of a loan, purchase of stock in Puerto Rico Aggregates Co., and working capital. **Address**—San Juan, Puerto Rico. **Underwriters** — P. W. Brooks & Co., Inc., New York and CIA Financiera de Inversiones, Inc., San Juan (mgr.).

Ro Ko, Inc. (10/30-11/3)
Aug. 7, 1961 filed 120,000 class A common shares. **Price**—$5. **Business**—The manufacture of stuffed toys. **Proceeds**—For down payments on the purchase of buildings, equipment and expansion. **Office**—3115 E. 12th St., Kansas City, Mo. **Underwriters**—Midland Securities Co., Inc., and George K. Baum & Co., Kansas City, Mo. (mgr.)

Rochester Gas and Electric Corporation (11/14)
Oct. 12, 1961 filed $15,000,000 of first mortgage bonds, series T, due Nov. 15, 1991. **Proceeds**—For construction. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co.-Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Blyth & Co., Inc.-First Boston Corp. **Bids**—Expected Nov. 14 at 11 a.m. (EST).

Rocket Power, Inc. (11/20-24)
Sept. 20, 1961 filed 200,000 common. **Price**—By amendment. **Business**—Development and manufacture of solid propellants, rocket motors, rocket catapults and related products. **Proceeds**—To repay debt. **Office**—Falcon Field, Mesa, Ariz. **Underwriters**—Paine, Webber, Jackson & Curtis and Prescott & Co., N. Y.

Rodale Electronics, Inc.
Sept. 29, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Manufacture of electronic equipment. **Proceeds**—Debt repayment, new products, equipment, sales promotion and advertising. **Office** — 562 Grand Blvd., Westbury, N.Y. **Underwriter**—Charles Plohn & Co., N.Y.

● **Rodney Metals, Inc.**
June 30, 1961 filed 140,000 common shares. **Price**—$10. **Proceeds** — For the repayment of debt and other corporate purposes. **Office**—261 Fifth Ave., New York. **Underwriter**—Charles Plohn & Co., N. Y.

★ **Rogers (John) Co.**
Oct. 24, 1961 filed $600,000 of 6% conv. subord. debentures due 1976 and 120,000 common shares to be offered in units consisting of one debenture and two shares. **Price**—$25 per unit. **Business**—Sale of rebuilt automobile engines and reground crankshafts to automobile parts jobbers. **Proceeds**—For working capital and general corporate purposes. **Office**—1060 Huff Rd., N. W., Atlanta, Ga. **Underwriter**—Robinson-Humphrey Co., Inc., and Courts & Co., Atlanta.

Roph Associates, Inc.
Aug. 10, 1961 ("Reg. A") 75,000 common shares (par five cents). **Price**—$4. **Business**—The sale of freezers and food plans. **Proceeds**—For inventory, a food dept, advertising and promotion and general corporate purposes. **Office**—300 Northern Boulevard, Great Neck, N. Y. **Underwriter**—To be named.

Royal Land & Development Corp.
Aug. 2, 1961 filed 2,000,000 class A common shares. **Price**—$1. **Business** — General real estate and construction. **Proceeds**—For construction and general corporate purposes. **Office**—400 Stanley Ave., Brooklyn, N. Y. **Underwriter**—Lieberbaum & Co., N. Y. (mgr.). **Offering**—Expected sometime in December.

Rozilda Laboratories, Inc.
Sept. 18, 1961 filed 90,000 class A capital shares. **Price**—$3. **Business**—The manufacture and sale of organic chemicals to industrial and commercial users. **Proceeds**—For expansion and working capital. **Office**—814 Madison St., Hoboken, N. J. **Underwriters**—State Securities Corp., Washington, D. C. and Bayes, Rose & Co., N. Y.

Rubber & Fibre Chemical Corp. (12/20)
Sept. 25, 1961 filed 120,000 common. **Price**—$5. **Business**—Exploitation of a new process for reclaiming unvulcanized rubber. **Proceeds**—Purchase of equipment and existing plant building, repayment of debt, and working capital. **Office**—300 Butler St., Brooklyn, N. Y. **Underwriter**—Armstrong & Co., Inc., N. Y.

Russ Togs, Inc. (11/6-10)
Oct. 3, 1961 filed 107,571 outstanding class A shares to be offered for subscription by stockholders. **Price**—By amendment. **Business**—Manufacture of women's sportswear. **Proceeds**—For selling stockholders. **Office**—1372 Broadway, N. Y. **Underwriter** — Shearson, Hammill & Co., N. Y.

● **S. O. S. Photo-Cine-Optics, Inc. (11/6-10)**
June 29, 1961 filed $50,000 of 6% subordinated debentures due 1969 and 50,000 common shares to be offered in units consisting of $10 of debentures and 10 common shares. **Price**—$40 per unit. **Business**—The manufacturing, renting and distributing of motion picture and television production equipment. **Proceeds**—For new equipment, advertising, research and development, working capital and other corporate purposes. **Office**—602 W. 52nd St., New York. **Underwriter** — William, David & Motti, Inc., N. Y.

Sabre, Inc.
Sept. 25, 1961 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Manufacture of pre-painted aluminum siding and accessories. **Proceeds**—For inventory, dies, inventory equipment and working capital. **Office**—4990 E. Asbury, Denver. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., Denver.

● **Saegertown Glasseals, Inc. (11/13-17)**
Sept. 27, 1961 filed 210,500 common, of which 100,000 are to be offered by the company and 110,500 by stockholders. **Price**—By amendment. **Business**—Manufacture of electronic parts, including diodes and rectifiers. **Proceeds**—For general corporate purposes. **Office**—South Main St., Saegertown, Pa. **Underwriter**—Carl M. Loeb, Rhoades & Co., N. Y.

Sav-Mor Oil Corp. (11/27-30)
July 5, 1961 ("Reg. A") 92,000 common shares (par one cent). **Price**—$2.50. **Business**—Wholesale distribution of gasoline and oil to service stations. **Proceeds**—For expansion. **Office**—151 Birchwood Park Dr., Jericho, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York.

● **Save-Tax Club, Inc. (10/30-11/3)**
July 6, 1961 ("Reg. A") 150,000 common. **Price**—$2. **Business**—A plan to stimulate retail merchandising in New York City. Retail establishments who join the plan will give 3% discounts to members of the Save-Tax Club. **Proceeds**—For salaries to salesmen, advertising, public relations, additional employees, and working capital. **Office**—135 W. 52nd St., N. Y. **Underwriter**—B. G. Harris & Co., Inc., N. Y.

● **Savin Business Machines Corp.**
Sept. 28, 1961 filed 150,000 common. **Price**—$10. **Business**—Distribution of products for use in photocopy machines. **Proceeds**—For initial production of xerographic machines, additional equipment, expansion and working capital. **Office**—161 Ave. of the Americas, N. Y. **Underwriter**—Ira Haupt & Co., N. Y. **Offernig**—In Dec.

● **Science Research Associates, Inc. (12/14)**
Sept. 22, 1961 filed 150,040 common, of which 100,000 shares are to be offered by the company and 50,040 shares by stockholders. **Price**—By amendment. **Business**—Publication of standardized intelligence, aptitude, and achievement tests, and instructional materials for schools. **Proceeds**—For repayment of debt, redemption of 6% preferred stock and working capital. **Office**—259 E. Erie St., Chicago. **Underwriters**—White, Weld & Co., N. Y. and William Blair & Co., Chicago.

Seashore Food Products, Inc.
Aug. 29, 1961 ("Reg. A") 75,000 common. **Price** — $4. **Business**—The manufacturing and processing of assorted food products. **Office**—13480 Cairo Lane, Opa Locka, Fla. **Underwriter**—Ehrlich, Irwin & Co., Inc., N. Y.

● **Sea-Wide Electronics, Inc.**
Sept. 26, 1961 filed 200,000 common. **Price**—$4. **Business**—Importing of goods from Japan. **Proceeds**—For debt repayment. **Office**—Stokely St., and Roberts Ave., Philadelphia, Pa. **Underwriter**—Amos Treat & Co., N. Y. **Offering**—Expected in late December.

Security Acceptance Corp.
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and

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25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appliances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

● Security Group, Inc. (10/30-11/3)
Oct. 3, 1961 ("Reg. A") 272,700 common. **Price**—$1.10. **Proceeds**—General corporate purposes. **Office**—1020 E. Wendover Ave., Greensboro, N. C. **Underwriter**—Allied Securities Corp., Greensboro, N. C.

Seg Electronics Co., Inc.
Sept. 28, 1961 filed 110,000 common. **Price**—By amendment. **Business**—Design and manufacture of networks for data and program transmission, filters, transceivers and related electronic equipment. **Proceeds**—For equipment, research and development, repayment of loans and working capital. **Office**—12 Hinsdale St., Brooklyn. **Underwriter**—Searight, Ahalt & O'Connor, Inc., N. Y.

Self-Service Shoes, Inc.
Sept. 19, 1961 ("Reg. A") 300,000 common. **Price**—$1. **Business**—Retailing of shoes on a self-service basis. **Office**—504 N. Grand, Pueblo, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

Sel-Rex Corp. (12/5)
Sept. 27, 1961 filed 200,000 common, of which 33,000 will be sold by the company and 167,000 by a stockholder. **Price**—By amendment. **Business**—Production of gold compounds and chemicals for electroplating. **Office**—Nutley, N. J. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

★ Sell 'N Serv Dispensers, Inc.
Oct. 17, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Manufacture of dispensers for hot and cold beverages. **Proceeds**—For debt repayment and general corporate purposes. **Office**—20 Simmons St., Boston. **Underwriter**—Goldsmith, Heiken & Co., Inc., Brooklyn, N. Y.

● Semicon, Inc. (11/6-10)
June 30, 1961 filed 125,000 class A common shares. **Price**—By amendment. **Business**—The manufacture of semiconductor devices for military, industrial and commercial use. **Proceeds**—For equipment, plant expansion and new products. **Address**—Sweetwater Avenue, Bedford, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing).

Servonuclear Corp.
Sept. 12, 1961 ("Reg. A") 100,000 common. **Price**—$2. **Business**—Manufacture of medical electronic products. **Proceeds**—For plant relocation, equipment, inventory, new products, debt repayment and working capital. **Office**—28-21 Astoria Blvd., Astoria, L. I., N. Y. **Underwriter**—Herman & Diamond, N. Y.

Servotron Corp.
Sept. 25, 1961 filed 100,000 common. **Price**—$5. **Business**—Sale of automatic film processing machines and other electronic products. **Proceeds**—Purchase of equipment and inventory, sales promotion, research and development, and working capital. **Office**—29503 West Nine Mile Rd., Farmington, Mich. **Underwriter**—None.

● Sexton (John) & Co. (11/13-17)
Sept. 27, 1961 filed 70,000 common. **Price**—By amendment. **Business** — Distributes food products to restaurants, hotels, schools, etc. **Proceeds**—For selling stockholders. **Office**—4700 S. Kilbourn Ave., Chicago. **Underwriter**—Hornblower & Weeks, N. Y.

Shaer Shoe Corp.
Sept. 18, 1961 filed 225,000 common. **Price**—By amendment. **Business**—The manufacture and sale of women's shoes. **Proceeds**—For the selling stockholders. **Office**—Canal and Dow St., Manchester, N. H. **Underwriter**—Dean Witter & Co., San Francisco.

Shasta Minerals & Chemical Co.
April 24, 1961 filed 500,000 shares of common stock. **Price**—$2.50 per share. **Business**—Acquisition, development, and exploration of mining properties. **Proceeds**—For general corporate purposes. **Office** — 1406 Walker Bank Bldg., Salt Lake City, Utah. **Underwriter** — None. **Offering**—Expected sometime in November.

Siconor Mines Ltd.
Sept. 18, 1961 filed 250,000 common. **Price**—By amendment. **Business**—The exploratory search for silver in northern Ontario. **Proceeds**—For general corporate purposes. **Office**—62 Richmond St., West, Toronto, Canada. **Underwriter**—None.

● Sierra Capital Corp. (11/13-17)
Sept. 5, 1961 filed 1,000,000 capital shares. **Price** — By amendment. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—105 Montgomery St., San Francisco. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y.

● Site-Fab, Inc.
Aug. 21, 1961 ("Reg. A") 100,000 common (par 10c). **Price**—$3. **Proceeds**—For purchase and improvement of land, promotion and development and working capital. **Office**—901 Market St., Wilmington, Del. **Underwriter**—H. P. Black & Co., Inc., Washington, D. C. **Note**—This letter will be withdrawn and refiled.

● Small Business Investment Co. of New York, Inc.
Aug. 22, 1961 filed 875,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—40 Beaver St., Albany, N. Y. **Underwriter**—Dillon, Read & Co., Inc., N. Y. **Offering**—Expected in mid-November.

Sokol Brothers Furniture Co., Inc.
Sept. 28, 1961 filed 240,000 common. **Price**—$2.50. **Business**—The instalment retailing of furniture, appliances and other household goods. **Proceeds** — For expansion and modernization of buildings, repayment of debt and working capital. **Office**—253 Columbia St., Brooklyn, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

Southbridge Plastic Products Inc.
Sept. 28, 1961 filed 205,710 class A shares. **Price**—By amendment. **Business**—Manufacture of vinyl sheetings. **Proceeds**—For equipment and working capital. **Office**—241 Church St., N. Y. **Underwriters**—H. Hentz & Co. and Allen & Co., N. Y. **Offering**—Expected in December.

Southern Diversified Industries, Inc.
Aug. 8, 1961 filed 250,000 common shares. **Price**—$5.50. **Business** — The purchase, inventorying and wholesale distribution of roofing materials, sheet metal products and heating and air conditioning accessories. **Proceeds**—For repayment of debt, purchase of merchandise and operating expenses. **Office** — 3690 Northwest 62nd St., Miami, Fla. **Underwriter** — Netherlands Securities Co., Inc., New York.

Southern Frontier Finance Co.
Sept. 22, 1961 filed $1,000,000 of sinking fund subordinated debentures due 1976 with warrants to purchase 200,000 shares of common stock, to be offered in units consisting of $100 of debentures with a warrant to purchase 20 common shares. **Price**—By amendment. **Business**—Repurchase of mortgage notes, contracts, leases, etc. **Proceeds**—Repayment fo debt, investments and other corporate purposes. **Office**—615 Hillsboro St., Raleigh, N. C. **Underwriter**—J. C. Wheat & Co., Richmond, Va.

● Southern Growth Industries, IInc. (11/6-10)
June 28, 1961 filed 100,000 common shares. **Price**—$6. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Poinsett Hotel Building, Greenville, S. C. **Underwriter**—Capital Securities Corp., Greenville, S. C.

● Southern Realty & Utilities Corp. (11/6-10)
May 26, 1961 filed $3,140,000 of 6% convertible debentures due 1976, with warrants to purchase 31,400 common shares, to be offered for public sale in units of $500 of debentures and warrants for five common shares. **Price**—At 100% of principal amount. **Business**—The development of unimproved land in Florida. **Proceeds**—For the repayment of debt, the development of property, working capital and other corporate purposes. **Office**—1674 Meridian Avenue, Miami Beach, Fla. **Underwriters** — Hirsch & Co., and Lee Higginson Corp., both of New York City (managing).

Southern Syndicate, Inc.
Sept. 13, 1961 filed 300,000 common. **Price**—By amendment. **Business**—Real estate investment. **Proceeds**—For repayment of loans and working capital. **Office**—2501 Bank of Georgia Bldg., Atlanta. **Underwriter**—Johnson, Lane, Space Corp., Savannah.

Southwest Factories, Inc.
Oct. 10, 1961 ("Reg. A") 100,000 capital shares. **Price**—$3. **Proceeds**—For debt repayment, equipment, research and development and general corporate purposes. **Office**—1432 W. Main St., Oklahoma City, Okla. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

Southwestern Research & Development Co.
Aug. 28, 1961 filed 600,000 common. **Price**—$10. **Business** — A business investment company. **Proceeds** — for investments. **Office**—1101 N. First St., Phoenix. **Underwriter**—Wilson, Johnson & Higgins, San Francisco (mgr). **Offering**—Expected in November.

Space Age Materials Corp. (SAMCO) (11/20)
Sept. 19, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—The manufacture of high temperature materials for the space, nuclear and missile fields, and components used in the communications field. **Proceeds**—For equipment, research and development, and working capital. **Office**—31-26 Greenpoint Avenue, Long Island City, N. Y. **Underwriter**—Manufacturers Securities Corp., 511 5th Ave., N. Y. **Offering**—Expected late Nov.

Spectron, Inc.
June 9, 1961 filed 83,750 class A common. **Price**—$4.50. **Business**—Design, development and manufacture of electronic systems, instruments and equipment, including microwave, radar and underwater communication devices. **Proceeds**—For purchase of equipment, plant expansion, patent development and general corporate purposes. **Office**—812 Ainsley Bldg., Miami, Fla. **Underwriter**—Hampstead Investing Corp., N. Y. **Offering**—Imminent.

Standard Industries, Inc.
Oct. 13, 1961 filed 210,000 common, of which 183,000 are to be offered by the company and 27,000 by a stockholder. **Price**—By amendment. **Business**—Production of crushed limestone, gravel, and ready-mix concrete and construction of highways, etc. **Proceeds**—General corporate purposes. **Office**—731 Mayo Bldg., Tulsa, Okla. **Underwriter**—Allen & Co., N. Y.

Star Homes, Inc.
June 28, 1961 filed $500,000 7% subordinated debentures due 1971 and 200,000 common shares to be offered in units, each unit consisting of $50 of debentures and 20 common shares. **Price**—$100 per unit. **Business**—The construction and sale of shell homes. **Proceeds**—For repayment of loans, advances to a subsidiary, establishment of branch sales offices and working capital. **Office**—336 S. Salisbury Street, Raleigh, N. C. **Underwriter**—D. E. Liederman & Co., Inc., New York (managing). **Offering**—Expected in mid-November.

● Star Industries, Inc. (10/31)
Aug. 23, 1961 filed 415,576 class A, of which 103,894 are to be offered by the company and 311,682 by stockholders. **Price**—By amendment. **Business**—A wholesale liquor distributor. **Proceeds**—For repayment of loans and working capital. **Office**—31-10 48th Ave., Long Island City, N. Y. **Underwriters**—Lee Higginson Corp. and H. Hentz & Co., N. Y.

Steel Plant Equipment Corp.
Oct. 2, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Proceeds**—For equipment and working capital. **Address**—Norristown, Pa. **Underwriter**—Joseph W. Hurley & Co., Norristown, Pa.

Sterile Medical Products, Inc.
Aug. 29, 1961 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—The manufacture and sharpening of scalpels. **Proceeds**—For expansion and the manufacture of scalpels. **Office**—434 Buckelew Ave., Jamesburg, N. J. **Underwriter**—Louis R. Dreyling & Co., Inc., New Brunswick, N. J.

Sterling Extruder Corp.
Sept. 12, 1961 filed 90,000 common, of which 20,000 are to be offered by the company and 70,000 by the stockholders. **Price**—By amendment. **Business**—The manufacture of plastic extrusion machinery and auxiliary equipment. **Proceeds**—For working capital. **Office**—1537 W. Elizabeth Ave., Linden, N. J. **Underwriter** — Marron, Sloss & Co., N. Y.

★ Struthers Scientific & International Corp.
Oct. 23, 1961 filed 150,000 class A common. **Price**—By amendment. **Business**—Company was recently formed by Struthers Wells Corp., to take over latter's recent developments in saline water conversion and certain manufacturing, international engineering and sales activities. **Proceeds**—For general corporate purpose. **Office**—111 W. 50th St., N. Y. **Underwriter**—Hirsch & Co. Inc., N. Y.

● Super Valu Stores, Inc. (12/5)
Oct. 11, 1961 filed 115,000 common. **Price**—By amendment. **Business**—Distributes food and associated products to franchised retail stores. **Proceeds**—Debt repayment, inventories, expansion and other corporate purposes. **Ofifce** — 101 Jefferson Ave., Hopkins, Minn. **Underwriters**—White, Weld & Co., Inc., N. Y. and J. M. Dain & Co., Inc., Minneapolis.

● Superior Industries Corp. (11/13-17)
Aug. 29, 1961 filed 125,000 common. **Price**—$4. **Business**—The manufacture of folding pool tables, table tennis tables and related accessories. **Proceeds** — For general corporate purposes. **Office**—520 Coster St., Bronx, N. Y. **Underwriter**—Brand, Grumet & Seigel, Inc., N.Y.(mgr.).

Supronics Corp. (10/30-11/3)
May 29, 1961 filed 90,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the distribution of wholesale electrical equipment and supplies. **Proceeds** — For the repayment of bank loans and other corporate purposes. **Office**—224 Washington St., Perth Amboy, N. J. **Underwriters**—Amos Treat & Co., Inc., Standard Securities Corp., and Fred F. Sessler & Co., Inc., N. Y., and Bruno-Lenchner, Inc., Pittsburgh, Pa.

● Susan Crane Packaging, Inc.
Aug. 28, 1961 filed 150,000 common. **Price**—By amendment. **Business**—The manufacture of gift wrap, packaging materials and greeting cards. **Proceeds**—For repayment of loans, expansion, working capital and general corporate purposes. **Office**—8107 Chancellor Row, Dallas. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y. C. **Offering**—Expected in mid-November.

Swift Homes, Inc. (11/29)
Sept. 15, 1961 filed 240,000 common, of which 80,000 will be sold by the company and 160,000 by stockholders. **Price**—By amendment. **Business**—The manufacture, sale and financing of factory-built homes. **Proceeds**—To expand credit sales and open new sales offices. **Address**—1 Chicago Ave., Elizabeth, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

Taddeo Construction & Leasing Corp.
March 31, 1961 filed 320,000 common. **Price**—$5. **Business**—The construction of bowling centers. **Proceeds**—For purchase of land and working capital. **Office**—873 Merchants Rd., Rochester, N. Y. **Underwriter**—N. A. Hart & Co., and Darius, Inc. (co-mgrs.). **Note** — This company was formerly named Taddeo Bowling & Leasing Corp.

Tasty Baking Co.
Aug. 31, 1961 filed 100,000 class A common (non-voting). **Price**—By amendment. **Business**—The manufacture of packaged bakery products. **Proceeds** — For the selling stockholders. **Office**—2801 Hunting Park Ave., Philadelphia. **Underwriter**—Drexel & Co., Philadelphia.

● Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (100,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago. **Sponsor**—John Nuveen & Co., Chicago. **Offering**—Expected in early 1962.

★ Tech Serv, Inc.
Sept. 29, 1961 ("Reg. A") 75,000 common. **Price**—$3. **Proceeds**—For debt repayment, advertising, equipment and working capital. **Office** — 4911 College Ave., College Park, Md. **Underwriter**—Switzer & Co., Silver Spring, Md.

Technifoam Corp.
Aug. 14, 1961 filed 110,000 common shares. **Price**—$8. **Business**—The manufacture of machinery for producing polyurethane foam. **Proceeds**—For repayment of loans, equipment, foreign investments and working capital. **Office** — 717 Fifth Avenue, New York. **Underwriter** — Stearns & Co., N. Y. (mgr.).

Techno-Vending Corp. (10/30-11/3)
June 9, 1961 ("Reg. A") 100,000 class A common. **Price**—$3. **Business**—Manufacture of coin-operated vending machines. **Proceeds**—Repayment of loans; sales promotion and advertising; expansion; purchase of raw materials; research and development, and working capital. **Office**—

599 Tenth Ave., N. Y. **Underwriter**—Interntaional Services Corp., Paterson, N. J.

● Tele-Communications Corp.
Sept. 29, 1961 ("Reg. A") 100,000 class A common. **Price**—$3. **Proceeds**—For debt repayment, advertising, research and development, plant improvement and working capital. **Office**—41 E. 42nd St., N. Y. **Underwriter**—Edward Lewis Co., Inc.,, N. Y. **Offering**—In late Nov.

Telecredit, Inc. (11/6-10)
July 24, 1961 filed 155,000 common shares. **Price**—$1. **Business**—The development of high-speed electronic data processing systems. **Proceeds**—For organizational expenses, establishment of service centers and reserves. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriter**—Globus, Inc., N. Y. (mgr.).

Teleregister Corp.
Sept. 1, 1961 filed 280,000 common. **Price**—By amendment. **Business**—The furnishing of data processing, dissemination and display services. **Proceeds**—For the selling stockholders. **Office**—445 Fairfield Ave., Stamford. **Underwriter**—Ladenburg, Thalmann & Co., N. Y. (mgr.).

Templeton, Damroth Corp.
Sept. 28, 1961 filed $1,500,000 of 5½% convertible debentures due 1969, of which $205,000 are to be offered by the company and $240,000 by stockholders. **Price**—At par. **Business**—A mutual fund management company. **Proceeds**—For expansion, a new subsidiary and working capital. **Office**—630 Third Ave., N. Y. **Underwriter**—Hecker & Co., Philadelphia.

★ Texas Eastern Transmission Corp.
Oct. 23, 1961 filed $35,000,000 of first mortgage pipe line bonds due 1981. **Price**—By amendment. **Business**—Transmission of natural gas and petroleum products and the production of oil and gas. **Proceeds**—For debt repayment and construction. **Office**—Texas Eastern Bldg., Houston, Tex. **Underwriter**—Dillon, Read & Co. Inc., N. Y.

Texas Electro-Dynamic Capital, Inc.
Oct. 16, 1961 filed 250,000 common. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—General corporate purposes. **Office**—1947 W. Gray Ave., Houston. **Underwriter**—Moroney, Beissner & Co., Inc., Houston.

Texas Gas Producing Co.
Sept. 5, 1961 filed $315,000 of 5½% subordinated convertible debentures due 1973 and 10,500 common to be offered in units of $90 of debentures and three common shares. **Price**—By amendment. **Business**—The production of crude oil and natural gas. **Proceeds**—For repayment of notes, working capital and general corporate purposes. **Office**—731 Meadows Bldg., Dallas. **Underwriter**—Equitable Securities Corp., Nashville.

● Thermionix Industries Corp. (10/30-11/3)
July 27, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—$2. **Business**—The manufacture of a flexible heating tape. **Proceeds**—For construction of a machine, research and development, sales engineering and working capital. **Office** — 500 Edgewood Avenue, Trenton, N. J. **Underwriter**—D. L. Capas Co., New York.

Thermo-Chem Corp. (11/6-10)
June 14, 1961 filed 130,000 common shares. **Price**—$4.50. **Business**—The manufacture of coatings for fabrics. **Proceeds**—To repay a loan, and purchase equipment, for research and development, administrative expenses and working capital. **Office** — Noeland Ave., Penndel, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

30 North La Salle Street Realty Fund
July 3, 1961 filed 200,000 shares of beneficial interests. **Price**—$5. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—30 N. LaSalle St., Chicago. **Underwriter**—None.

● Thoroughbred Enterprises, Inc. (10/30-11/3)
June 2, 1961 filed 85,000 common shares. **Price**—$4. **Business** — The breeding of thoroughbred race horses. **Proceeds**—To purchase land, build a stable, and buy additional horses. **Office**—8000 Biscayne Blvd., Miami, Fla. **Underwriter**—Sandkuhl & Co., Inc., Newark, N. J., and New York City.

Thurow Electronics, Inc.
July 20, 1961 ("Reg. A") 41,500 class A common shares (par $2.50) and 83,000 class B common shares (par $1) to be offered in units consisting of one class A and two class B common shares. **Price**—By amendment. **Proceeds**—For repayment of loans and inventory. **Office** — 121 S. Water St., Tampa. **Underwriter** — Miller Securities Corp., Atlanta. Ga.

★ Tidewater Lumber Co.
Oct. 23, 1961 filed 200,000 common. **Price**—$5. **Business**—Wholesale lumber company. **Proceeds**—For debt repayment and working capital. **Office** — 1600 Hillside Ave., New Hyde Park, N. Y. **Underwriter**—Rubin, Rennert & Co., Inc., N. Y.

★ Tip Top Products Co. (12/12)
Oct. 23, 1961 filed 121,778 class A and 130,222 class B common. **Price**—By amendment. **Business**—Design and manufacture of hair care items. **Proceeds**—For the selling stockholder. **Office**—16th and Cuming Sts., Omaha. **Underwriters**—White, Weld & Co., Inc., N. Y., and First Nebraska Securities Corp., Lincoln.

★ Topsy's International, Inc.
Oct. 16, 1961 ("Reg. A") 60,000 class A common. **Price**—$5. **Business**—Operates catering companies. **Proceeds**—For working capital. **Office**—208 Nichols Rd., Kansas City, Mo. **Underwriters**—George K. Baum & Co., and Midland Securities Co., Inc., Kansas City, Mo.

● Tor Education, Inc. (10/30-11/3)
July 28, 1961 filed 100,000 capital shares. **Price**—$4.75. **Business**—The production of self instructional courses and devices. **Proceeds**—For purchase of equipment, new products and other corporate purposes. **Office**—65 Prospect St., Stamford, Conn. **Underwriter**—F. L. Rossmann & Co., N. Y. (mgr.).

● Tower Communications Co. (11/13-17)
Aug. 24, 1961 filed 125,000 common. **Price**—By amendment. **Business**—The design, manufacture and erection of communications towers. **Proceeds** — For repayment of debt and working capital. **Office** — 2700 Hawkeye Dr., Sioux City, Iowa. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y. C. (mgr.).

● Transcontinental Investing Corp. (11/13-17)
Aug. 25, 1961 filed $10,000,000 of 6½% convertible subordinated debentures due 1981. **Price**—By amendment. **Business** — The operation of hotels, motels, apartment buildings and a small business investment company. **Office**—375 Park Ave., N. Y. C. **Underwriter**—Lee Higginson Corp., N. Y. C. (mgr.).

Trans-Lux Corp. (11/6-10)
Aug. 31, 1961 filed 250,000 common, of which 150,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of news ticker projection equipment. **Proceeds** — For expansion, repayment of loans, new equipment and general corporate purposes. **Office**—625 Madison Ave., N. Y. **Underwriter** — Bear, Stearns & Co., N. Y. (mgr.).

● Tri-Chem, Inc. (10/30-11/3)
Aug. 16, 1961 filed $350,000 of sinking fund debentures, 6½% series due 1976 and 140,000 common shares to be offered in units consisting of $100 of debentures and 40 common shares. **Price**—By amendment. **Business**—The manufacture of paints for hobbyists. **Proceeds**—For repayment of bank loans and working capital. **Office**—82 Main St., West Orange, N. J. **Underwriter**—P. W. Brooks & Co., Inc., N. Y. (mgr.).

Tri-Point Industries, Inc.
Sept. 28, 1961 filed 160,000 common, of which 80,000 are to be offered by the company and 80,000 shares by stockholders. **Price**—By amendment. **Business**—Manufacture of precision, plastic components. **Proceeds**—For repayment of loans, advertising, equipment and working capital. **Office**—175 I. U. Willets Rd., Albertson, L. I., N. Y. **Underwriter**—Hill, Darlington & Grimm, N. Y.

● Tri-State Displays, Inc.
July 24, 1961 ("Reg. A") 260,000 common shares (par five cents). **Price**—$1.15. **Proceeds**—For working capital. **Office**—1221 Glenwood Ave., Minneapolis. **Underwriter**—To be named.

● Trio-Tech, Inc. (11/6-10)
Oct. 6, 1961 ("Reg. A") 100,000 common. **Price**—$2. **Business**—Manufacture of Electronic Parts and Equipment. **Proceeds**—For debt repayment, machinery, new products, leasehold improvements and working capital. **Office**—3410 W. Cohasset St., Burbank, Calif. **Underwriter**—Ezra Kureen Co., N. Y.

Triton Electronics, Inc.
Sept. 26, 1961 filed 108,000 common, of which 76,500 will be offered by the company and 31,500 by stockholders. **Price**—$4.50. **Business**—Manufacture of magnetic recording tape and metallic yarns. **Proceeds**—For research and development, advertising, and working capital. **Office**—62-05 30th Ave., Woodside, N. Y. **Underwriter**—Netherlands Securities Co., Inc., and Seymour Blauner & Co., N. Y.

● Tropical Gas Co., Inc. (10/30-11/3)
Sept. 8, 1961 filed 135,000 common, to be offered for subscription by stockholders on the basis of one share for each six common held. **Price** — By amendment. **Proceeds**—For the repayment of debt, and working capital. **Office**—2151 Le Jeune Rd., Coral Gables, Fla. **Underwriter**—Glore, Forgan & Co., N. Y. (mgr.).

● True Taste Corp. (10/30-11/3)
Aug. 18, 1961 filed 200,000 common shares. **Price**—$5. **Business** — The installation and operation of plant to process frozen concentrated juices in bulk. **Proceeds**—For installation of equipment and working capital. **Office**—1206 Tower Petroleum Bldg., Dallas. **Underwriter**—Dallas Rupe & Son, Inc., Dallas (managing).

● Turbodyne Corp.
May 10, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business** — The research, development, manufacturing and marketing of space and rocket engines, and related activities. **Proceeds**—For research and development, and working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Sandkuhl & Co., Inc., Newark, N. J., and N. Y. C. **Offering**—In December.

● Turner Engineering & Automation Corp.
Sept. 27, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Manufactures electronic devices and components. **Office**—209 Glenside Ave., Wyncote, Pa. **Underwriter** — Valley Forge Securities Co., Inc., Phila. **Offering**—Expected sometime in December.

● Ultra Plastics Inc.
Sept. 19, 1961 filed 150,000 class A common. **Price**—$4. **Business**—The manufacture of outdoor plastic signs and urethane foam. **Proceeds**—For equipment, repayment of debt, inventory, additional personnel, advertising and **Underwriter**—Amos Treat & Co., N. Y. **Offering**—In late December.

Union Rock & Materials Corp.
Aug. 22, 1961 filed 160,000 common. **Price**—By amendment. **Business**—The company is engaged in the paving of roads and the sale of sand, crushed rock and transit-mix concrete. **Proceeds**—For the selling stockholders. **Office**—2800 S. Central Ave., Phoenix, Ariz. **Underwriter**—William R. Staats & Co., Los Angeles (mgr.). **Offering**—Expected in late November.

● Union Title Co. (11/20-24)
Aug. 28, 1961 filed 150,000 capital shares. **Price**—$7.50. **Business**—The insuring of real estate titles. **Proceeds**—For working capital and expansion. **Office**—222 N. Central Ave., Phoenix. **Underwriter**—None.

Union Trust Life Insurance Co.
Sept. 25, 1961 filed 300,000 common. **Price**—By amendment. **Business**—Sale of life, and health and accident insurance. **Proceeds** — For investment. **Office** — 611 N. Broadway St., Milwaukee. **Underwriters**—H. M. Byllesby & Co., and Straus, Blosser & McDowell, Chicago. **Offering**—Expected in late Nov.

United Aero Products Corp.
Sept. 28, 1961 filed $600,000 of 6% conv. subord. debentures due 1971. **Price**—At par. **Business**—Manufacture of precision machined parts for the aircraft, missile, electronics and nuclear industries. **Proceeds**—Debt repayment, research and development, expansion and working capital. **Office**—Columbus Rd., Burlington, N. J. **Underwriters**—Hess, Grant & Remington, Inc., Philadelphia and Arthurs, Lestrange & Co., Pittsburgh.

United Exposition Service Co.
Sept. 22, 1961 filed 100,000 common, of which 40,000 will be offered by the company and 60,000 by stockholders. **Price**—By amendment. **Business**—Supplying of decorating, drayage, cleaning, and related services for trade shows, conventions, and similar expositions. **Proceeds**—For working capital, the repayment of debt and purchase of equipment. **Office** — Suite 705, Merchandise Mart, Chicago, Ill. **Underwriter**—Drexel & Co., Philadelphia.

● United Improvement & Investing Corp. (11/6-10)
Aug. 18, 1961 filed $2,500,000 of 6% convertible subordinated debentures due 1976 to be offered for subscription by holders of common stock and series A warrants on the basis of $100 of debentures for each 70 shares held. **Price**—By amendment. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—25 W. 43rd St., New York. **Underwriter**—Sutro Bros. & Co., New York (managing).

● United Scientific Laboratories, Inc.
Aug. 18, 1961 filed 360,000 common shares. **Price**—$2. **Business**—The manufacture of high fidelity stereo tuners and amplifiers and amateur radio transceivers. **Proceeds**—For repayment of debt, increase in sales personnel, tooling and production and working capital. **Office**—35-15 37th Ave., Long Island City, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J. **Offering**—Expected sometime in November.

United Servomation Corp.
Sept. 22, 1961 filed 355,000 common of which 150,000 shares will be offered by the company and 205,000 shares by stockholders. **Price**—By amendment. **Business**—Sale of food, tobacco products and beverages through automatic vending machines. **Proceeds**—For repayment of debt. **Office**—410 Park Ave., N. Y. **Underwriter**—Hemphill, Noyes & Co., N. Y.

U. S. Controls, Inc.
Sept. 28, 1961 filed 120,000 common. **Price**—$2.25. **Business**—The manufacture of automatic control systems. **Proceeds**—For repayment of debt, a sales and advertising program, research and development, equipment and working capital. **Office** — 410 Fourth Ave., Brooklyn. **Underwriter**—N. A. Hart & Co., Bayside, N. Y.

United States Crown Corp.
Aug. 22, 1961 filed 150,000 common. **Price**—$8. **Business**—The manufacture of specialized bottle caps. **Proceeds**—For equipment, working capital and general corporate purposes. **Office**—437 Boulevard, East Paterson, N. J. **Underwriter**—Adams & Peck, N. Y. (mgr.). **Offering**—Expected in November.

U. S. Electronic Publications, Inc.
Sept. 26, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Publishing of military and industrial handbooks. **Proceeds**—Debt repayment, expansion and working capital. **Office**—480 Lexington Ave., N. Y. **Underwriter**—Douglas Enterprises, 8856 18th Ave., Brooklyn.

U. S. Markets, Inc.
July 31, 1961 filed 200,000 common shares, of which 160,000 shares are to be offered by the company and 40,000 shares by a stockholder. **Price**—$5. **Business**—The operation of a chain of supermarkets and other retail food stores in the San Francisco area. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office**—60 Fallon Street, Oakland, Calif. **Underwriter**—Stanley Heller & Co., N. Y. **Offering**—Expected sometime in November.

United States Plastics, Inc.
Sept. 7, 1961 filed 190,000 common, of which 150,000 will be sold by the company and 40,000 by a stockholder. **Price**—$3. **Business**—The sale of plastic items, power tools, adhesives, hardware, etc. **Proceeds**—To repay debt. **Office**—750 W. 18th St., Hialeah, Fla. **Underwriter**—Roman & Johnson, Fort Lauderdale (mgr.).

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo. **Offering**—Expected in early November.

Univend Corp.
Sept. 29, 1961 ("Reg. A") 115,000 common. **Price**—$2.50. **Business**—Operates coin-vending machines for food and drink. **Proceeds** — For expansion and working capital. **Office**—280 O'Brien Place, Brooklyn, N. Y. **Underwriter**—Ezra Kureen Co., N. Y. **Offering**—Expected in Nov.

● Universal Data Processing Corp. (11/6-10)
Sept. 28, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Proceeds** — For debt repayment, equipment, leasehold improvements, and working capital. **Office**—2600 E. 12th St., Los Angeles. **Underwriter** — Holton, Henderson & Co., Los Angeles.

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Universal Electronics Laboratories Corp.
Sept. 28, 1961 filed 90,250 common, of which 76,250 will be sold by the company and 14,000 by stockholders. **Price**—By amendment. **Business**—Design, development and production of teaching machines. **Proceeds**—For production expenses, advertising, marketing etc. **Office**—510 Hudson St., Hackensack, N. J. **Underwriters**—To be named.

Universal Lighting Products, Inc.
Sept. 21, 1961 filed 175,000 common. **Price**—$1. **Business**—Manufacturer of lighting fixtures and display and merchandising equipment for use in gasoline service stations. **Proceeds** — Repayment of debt and working capital. **Office**—55 Bergenline Ave., Westwood, N. J. **Underwriter**—Globus, Inc., N. Y. (mgr.). **Offering**—Expected sometime in December.

Universal Rectifier Corp.
Sept. 5, 1961 ("Reg. A") 80,000 common. **Price** — $3. **Business**—The development of high performance silicon rectifiers. **Office** — 2055 Pontius, Los Angeles. **Underwriter**—Kerns, Bennett & Co., Inc., N. Y.

● **Universal Surgical Supply Inc.**
Aug. 1, 1961 filed 100,000 common being offered to stockholders of Houston Fearless Corp., parent company, on the basis of one share for each 30 shares held of record Sept. 1 with rights to expire Nov. 2. **Price**—$6.65. **Business** — Sale of medicine, surgical and laboratory equipment manufactured by others. **Proceeds**—For repayment of debt. **Office**—9107 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

● **Uropa International, Inc.**
Sept. 28, 1961 filed 120,000 common. **Price**—$2.50. **Business**—Importing of compact appliances and stereophonic radio and phonograph consoles. **Proceeds**—For working capital. **Office**—16 W. 32nd St., N. Y. **Underwriter**—Dean Samitas & Co., N. Y. **Offering**—Expected in mid-December.

U-Tell Corp.
Sept. 18, 1961 ("Reg. A") 31,097 common. **Price**—$5. **Business** — Operation of a discount department store. **Office**—3629 N. Teutonia Ave., Milwaukee, Wis. **Underwriter**—Continental Securities Corp., Milwaukee, Wis.

Val-U Homes Corp. of Delaware
Aug. 28, 1961 filed 100,000 common. **Price**—$5. **Business**—The manufacture of prefabricated buildings and shell homes. **Proceeds**—For working capital. **Office**—765 River St., Paterson, N.J. **Underwriter**—Stearns & Co., N.Y.C. (mgr.). **Offering**—In early November.

Valley Gas Production, Inc. (11/20)
Sept. 22, 1961 filed 194,000 common. **Price**—By amendment. **Business**—Acquisition of natural gas and oil producing properties. **Proceeds**—Construction, repayment of debt and investment in subsidiaries. **Office**—583 M & M Bldg., Houston, Tex. **Underwriter**—White, Weld & Co., N. Y.

● **Valley Forge Products, Inc. (11/20-24)**
Sept. 15, 1961 filed 120,000 class A capital shares. **Price**—By amendment. **Business**—Manufacture of automotive replacement parts. **Proceeds**—For repayment of debt and other corporate purposes. **Office**—370 19th St., Brooklyn, N. Y. **Underwriter**—Herzfeld & Stern, N. Y.

★ **Valley Metallurgical Processing Co.**
Oct. 23, 1961 filed 70,000 common. **Price**—By amendment. **Business**—Production of metal powders for the rocket, munitions and pyrotechnics industries. **Proceeds**—For debt repayment and general corporate purposes. **Office**—Essex, Conn. **Underwriter**—McDonnell & Co. Inc., N. Y.

Valley Title & Trust Co. (11/6-10)
June 13, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The writing and selling of title insurance and the acting as trustee and escrow agent. **Proceeds**—For working capital, reserves and other corporate purposes. **Office**—1001 North Central Ave., Phoenix, Ariz. **Underwriter** — Louis R. Dreyling & Co., 25 Livingston Ave., New Brunswick, N. J. **Offering**—Imminent.

● **(The) Valtronic Corp.**
Sept. 29, 1961 ("Reg. A") 62,500 common. **Price** — $4. **Business**—Design and manufacture of medical and dental equipment. **Proceeds**—For machinery, debt repayment, expansion and working capital. **Office**—375 Walton Ave., Bronx, N. Y. **Underwriter**—Fred F. Sessler & Co., Inc., N. Y.

● **Van-Pak, Inc.**
Sept. 15, 1961 filed 140,000 common. **Price**—$15. **Business**—A nation-wide and overseas non-regulated freight forwarder engaged in the forwarding of household goods. **Proceeds**—To repay debt, purchase metal containers, and increase working capital. **Office** — 542 Insurance Exchange Bldg., Des Moines, Iowa. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C. **Offering**—Expected some time in January.

● **Vending International, Inc.**
July 27, 1961 ("Reg. A") 70,588 common shares (par 10 cents). **Price**—$4.24. **Proceeds** — For repayment of debt, expansion and a new building. **Office**—c/o Brownfield, Rosen & Malone, 1026-16th St., N. W., Washington, D. C. **Underwriter**—H. P. Black & Co., Inc., Wash., D. C. **Offering**—Expected in late November.

Vendotronics Corp. (11/6-10)
Sept. 1, 1961 ("Reg. A") 150,000 common. **Price**—$2. **Business**—The manufacture of automatic popcorn vending machines. **Proceeds**—For repayment of loans, advertising, inventory, working capital and general corporate purposes. **Office**—572 Merrick Rd., Lynbrook, N. Y. **Underwriter**—B. G. Harris & Co., Inc., N. Y.

Venus Drug Distributors, Inc.
Oct. 2, 1961 filed 168,000 common, of which 120,000 are to be sold by the company and 48,000 by stockholders. **Price**—$5. **Business**—Wholesale distribution of cosmetics. **Proceeds**—For new product development, advertising and working capital. **Office** — 4206 W. Jefferson Blvd., Los Angeles, Calif. **Underwriter**—Garat & Polonitza, Inc., Los Angeles.

Vic Tanny Enterprises, Inc.
May 11, 1961 filed 320,000 shares of class A common stock (par 10 cents) of which 160,000 shares will be offered for the account of the company and 160,000 shares by the present holder thereof. **Price**—$9.50. **Business**—The operation of a national chain of gymnasiums and health centers for men and women. **Proceeds**—The company will use its part of the proceeds for the opening of new gymnasiums and the promotion of home exercise equipment. **Office**—375 Park Ave., N. Y. **Underwriter**—S. D. Fuller & Co., N. Y.

● **Vol-Air, Inc. (11/1)**
July 27, 1961 ("Reg. A") 96,000 common shares (par one cent). **Price**—$2.50. **Business**—The manufacture of a patented heat and mass transfer system. **Proceeds**—For equipment, filing of patents, inventory, advertising and promotion. **Address**—347 Madison Avenue, New York. **Underwriter**—Glass & Ross, Inc., N. Y.

Voron Electronics Corp. (11/6-10)
July 28, 1961 filed 100,000 class A shares. **Price** — $3. **Business**—The manufacture of electronic test equipment, the sale, installation and servicing of industrial and commercial communications equipment and the furnishing of background music. **Proceeds**—For tooling, production, engineering, inventory and sales promotion of its products and for working capital. **Office** — 1230 E. Mermaid Lane, Wyndmoor, Pa. **Underwriters** — John Joshua & Co., Inc., and Reuben Rose & Co., New York.

Vulcan Mold & Iron Co.
Sept. 29, 1961 filed $3,500,000 of 6% convertible subordinate debentures due 1981. **Price**—By amendment. **Business**—Manufacture of cast iron ingot molds, stools, etc. **Proceeds**—For construction and working capital. **Office**—Ave. E., Latrobe, Pa. **Underwriters**—Singer, Deane & Scribner and Moore, Leonard & Lynch, Pittsburgh.

● **Wainrite Stores, Inc.**
June 23, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The operation of discount merchandising centers. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—691 E. Jericho Turnpike, Huntington Station, N. Y. **Underwriter**—Herman & Diamond, N. Y. **Offering**—Imminent.

● **Wald Research, Inc. (11/6-10)**
July 26, 1961 filed 65,000 common shares. **Price** — $5. **Business** — The manufacture of ground support equipment for the aircraft, missile and related industries. **Proceeds**—For repayment of loans, purchase of equipment and inventory, working capital and general corporate purposes. **Office**—79 Franklin Turnpike, Mahwah, N. J. **Underwriters** — Martinelli & Co., New York and E. R. Davenport & Co., Providence, R. I.

Walter Sign Corp.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

● **Wards Co., Inc. (11/13-17)**
Sept. 15, 1961 filed 110,000 common. **Price**—By amendment. **Business**—The retail sale of radios, TV sets, refrigerators, stoves, air conditioners, etc. **Proceeds**—For working capital and other corporate purposes. **Office**—2049 West Broad St., Richmond, Va. **Underwriter**—Stein Bros. & Boyce, Baltimore.

● **Warshow (H.) & Sons, Inc. (11/6-10)**
Aug. 30, 1961 filed 285,000 class A. **Price**—By amendment. **Business**—The manufacture of fabrics for women's wear. **Proceeds**—For the selling stockholders. **Office**—45 W. 36th St., N. Y. **Underwriters**—Lee Higginson Corp. and P. W. Brooks & Co., Inc., N. Y. (mgrs.).

● **Waterman Steamship Corp. (11/27-12/1)**
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business** — The carrying of liner-type cargoes. **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co. Inc., N. Y. (mgr.).

● **Weissberg (H. R.) Corp. (10/30-11/3)**
Aug. 28, 1961 filed 250,000 class A common. **Price**—By amendment. **Business**—The operation of hotels, and general real estate. **Proceeds**—For repayment of loans, acquisition and general corporate purposes. **Office**—680 Fifth Ave., N. Y. **Underwriter**—Troster, Singer & Co., N. Y. C. (mgr.).

● **Wellco Shoe Corp.**
Sept. 28, 1961 filed 125,070 common. **Price**—By amendment. **Business**—The licensing of other firms to manufacture footwear and the manufacture of casual footwear. **Proceeds**—For a selling stockholder. **Address**—Waynesville, N. C. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y. **Offering**—Expected in late December.

● **Wespak Inc.**
Sept. 29, 1961 ("Reg. A") 100,000 common. **Price** — $2. **Business**—Thermo-forming of plastic material for packaging of products. **Proceeds**—For research and development, equipment, sales, advertising and working capital. **Office** — 475 Alfred Ave., Teaneck, N. J. **Underwriter**—Scott, Harvey & Co., Inc., Fair Lawn, N. J.

West Coast Bowling Corp.
May 26, 1961 filed 128,434 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 13,434 outstanding shares by the present holders thereof. **Price**—$9.75 per share. **Business**—The company plans to acquire and operate bowling centers primarily in California. **Proceeds**—For general corporate purposes. **Office**—3300 West Olive Avenue, Burbank, Calif. **Underwriter**—Hill Richards & Co. Inc., Los Angeles (managing).

Westates Land Development Corp.
Sept. 28, 1961 filed $1,500,000 of 7% convertible subord. debentures due 1976 and 300,000 common shares to be offered in units, each consisting of $100 of debentures and 20 common shares. **Price**—$200 per unit. **Business**—General real estate. **Proceeds**—For debt repayment and working capital. **Office** — 9412 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Morris Cohon & Co., N. Y.

Western Factors, Inc.
June 29, 1960 filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Underwriter**—Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City.

● **Western Semiconductors, Inc. (11/20-24)**
Sept. 20, 1961 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Manufacture of semi-conductors for commercial and military use. **Office**—605-G Alton St., Santa Ana, Calif. **Underwriter**—Currier & Carlsen, Inc., San Diego, Calif.

Westland Capital Corp. (11/13-17)
Sept. 21, 1961 filed 985,500 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For Working capital. **Office**—9229 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Bear, Stearns & Co., N. Y.

Weyenberg Shoe Manufacturing Co.
Sept. 29, 1961 filed 100,000 common. **Price**—By amendment. **Business**—Manufacture of men's shoes. **Proceeds**—For selling stockholders. **Office** — 234 E. Reservoir Ave., Milwaukee. **Underwriter**—Robert W. Baird & Co., Milwaukee.

White Electromagnetics, Inc.
Oct. 5, 1961 filed 65,000 common. **Price**—$3.75. **Business**—Rendering of consulting services pertaining to electronic system analysis. **Proceeds**—For expansion, publication of technical papers, marketing, product development and working capital. **Office**—4903 Auburn Ave., Bethesda, Md. **Underwriter**—Weil & Co., Inc., Washington, D. C.

★ **Wiggins Plastics, Inc.**
Oct. 20, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Custom compression, transfer and injection molding of plastic materials. **Proceeds**—For debt repayment and general corporate purposes. **Office**—180 Kingsland Rd., Clifton, N. J. **Underwriter**—Investment Planning Group, Inc., East Orange, N. J.

Willner's Liquors
Sept. 13, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Operation of a chain of liquor stores. **Proceeds**—For equipment and inventory, and acquisition and working capital. **Office**—596 Orange St., Newark, N. J. **Underwriter**—First Weber Securities Corp., N. Y.

Winchell Doughnut House, Inc.
Sept. 26, 1961 filed 90,000 common. **Price**—By amendment. **Business** — Sale of doughnut mixes to franchised operators of doughnut shops leased from the company. **Proceeds**—For the selling stockholder. **Office**—1140 W. Main St., Alhambra, Calif. **Underwriter**—McDonnell & Co., Inc., N. Y.

● **Windsor (Kay), Inc. (11/27-12/1)**
Sept. 28, 1961 filed 200,000 class A common. **Price**—By amendment. **Business**—Manufacture and sale of women's dresses. **Proceeds**—For a selling stockholder. **Office**—Deane St., New Bedford, Mass. **Underwriter**—Lee Higginson Corp., N.Y.

Windsor Texprint, Inc.
Aug. 25, 1961 filed 265,000 common, of which 250,000 are to be offered by the company and 15,000 by stockholders. **Price**—$2. **Business**—The printing of towels and other textile products. **Proceeds**—For repayment of loans. **Office**—2357 S. Michigan Ave., Chicago. **Underwriter**—D. E. Liederman & Co., Inc., N. Y. **Offering**—In late Nov.

Wisconsin Michigan Power Co. (11/14)
Oct. 11, 1961 filed $4,000,000 of first mortgage bonds due 1991. **Office**—231 W. Michigan Ave., Milwaukee. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly). **Bids**—Expected Nov. 14.

● **Wonderbowl, Inc. (10/30-11/3)**
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

Wood Manufacturing Co., Inc.
July 24, 1961 ("Reg. A") 250,000 common shares (par $1). **Price**—$1.15. **Proceeds**—Foor working capital, repayment of loans, purchase of equipment, advertising and building construction. **Office** — 1035 Chestnut St., Conway, Ark. **Underwriter**—To be named.

● **Woodman Co. (10/30-11/3)**
Sept. 26, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Manufacture of precision equipment for handling and packaging food products. **Proceeds**—Debt repayment, a new product, sales and working capital. **Office**—114 New St., Decatur, Ga. **Underwriter**—D. H. Blair & Co., Inc., N. Y.

World Scope Publishers, Inc.
July 31, 1961 filed 300,000 common shares. **Price**—By amendment. **Business**—The publishing of encyclopedias and other reference books. **Proceeds**—For repayment of debt, working capital and general corporate purposes.

Office—290 Broadway, Lynbrook, N. Y. **Underwriter**—Standard Securities Corp., N. Y. **Offering**—In late Nov.

World Wide Bowling Enterprises, Inc.
July 20, 1961 filed 130,000 common shares. **Price**—$4. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, expansion and working capital. **Office**—2044 Chestnut St., Philadelphia. **Underwriter**—Fraser & Co., Philadelphia. **Offering**—Expected in Nov.

Worldwide Fund Ltd.
Sept. 19, 1961 filed 100,000 common. **Price**—$100. **Business**—The Fund plans to invest primarily in equity securities of foreign issuers. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriter** — Burnham & Co., N. Y. **Offering**—Expected in December.

World Wide Reinsurance Corp.
Sept. 28, 1961 filed 4,800,000 common. **Price**—$1. **Business**—Reinsurance. **Proceeds**—For capital. **Office**—214 W. 3rd St., Yankton, S. Dak. **Underwriter** — Harold R. Bell & Associates, Billings, Mont.

★ **Wulpa Parking Systems, Inc.**
Oct. 13, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Company plans to manufacture a parking device called the "Wulpa Lift." **Proceeds**—To open locations and increase working capital. **Office**—370 Seventh Ave., N. Y. **Underwriter**—Ehrlich, Irwin & Co., Inc., N. Y.

Yankee Plastics, Inc.
Sept. 8, 1961 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Manufactures plastic hangers and forms. **Proceeds** — For acquisition of manufacturing facilities and working capital. **Office**—29 W. 34th St., N. Y. **Underwriter**—Sunshine Securities Inc., Rego Park, N. Y.

• **Zep Aero**
July 28, 1961 filed 70,000 common shares, of which 40,000 shares are to be offered by the company and 30,000 shares by a stockholder. **Price**—$11.50. **Business**—Manufactures oxygen systems and accessories for aircraft. **Proceeds**—For general corporate purposes. **Office**—113 Sheldon St., El Segundo, Calif. **Underwriter**—Francis J. Mitchell & Co., Inc., Newport Beach, Calif.

Zim Israel Navigation Co., Ltd.
Oct. 5, 1961 filed 20,000 of 7% participating preferred. **Price**—$500. **Business**—Furnishing of passenger and dry-cargo freight services. **Proceeds**—For construction and working capital. **Office**—Haifa, Israel. **Underwriter**—None.

Prospective Offerings

Bay State Electronics Corp.
Aug. 2, 1961 it was reported that this company plans to file a registration shortly covering about 270,000 common shares to raise some $2,500,000. **Business**—Research, development and production of items in the fields of medical electronics, etc. **Proceeds** — For expansion and working capital. **Office**—43 Leon St., Boston, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing).

Broad Street Trust Co.
Sept. 22, 1961 it was reported that stockholders had approved an increase in capital stock and sale of about 69,370 additional shares to stockholders on the basis of one new share for each 12 held of record Oct. 9, with rights to expire Oct. 30. **Price**—$32.50. **Office**—Broad and Thompson Sts., Philadelphia. **Underwriters**—Stroud & Co., and Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia.

Bush Terminal Co.
Sept. 15, 1961 it was reported that registration will be filed shortly covering about 90,000 common to be offered to stockholders through subscription rights on 1-for-10 basis. **Business**—The operation of warehouses, manufacturing buildings, piers and railroad facilities. **Office**—100 Broad St., N. Y. **Underwriter**—The company said it may make the offering without an underwriter.

Chicago, Burlington & Quincy RR. (10/31)
Sept. 19, 1961 it was reported that this company plans to sell $2,400,000 of equipment trust certificates in October. **Offices**—5747 W. Jackson Blvd., Chicago and 39 B'way, N. Y. **Underwriters** — (Competitive). Probable bidders. Salomon Brothers & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—Expected Oct. 31.

Contact Lens Guild, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" shortly covering an undisclosed number of common shares. **Business**—The manufacture of contact lenses. **Office**—353 East Main St., Rochester, N.Y. **Underwriter**—To be named. **Offering**—Expected in Dec.

Diversified Vending, Inc.
Sept. 13, 1961 it was reported that a registration statement will be filed shortly covering 100,000 common. **Price**—$4. **Business**—The servicing of vending machines and coin operated kiddy-rides. **Proceeds**—For equipment, inventory and general corporate purposes. **Office**—Philadelphia, Pa. **Underwriter**—T. Michael McDarby & Co., Inc., Washington, D. C.

Electro Spectrum Corp.
Sept. 14, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 common. **Price**—$3. **Business**—Research, development, manufacture and marketing in the fields of optics, electronics, chemistry and photography. **Proceeds** — For organizational expenses, building lease, machinery, inventory and working capital. **Office**—300 Gramatan Ave., Mt. Vernon, N. Y. **Underwriter**—Harry Rovno (same address).

First Pennsylvania Banking & Trust Co.
Sept. 27, 1961 it was reported that stockholders are to vote Nov. 6 on a proposed 2-for-1 stock split and sale of 394,975 shares to stockholders on a 1-for-12 basis. **Office**—Philadelphia, Pa. **Underwriters**—Drexel & Co., Philadelphia; Merrill Lynch, Pierce, Fenner & Smith Inc., and Smith, Barney & Co., N. Y. **Note**—The record date for the offering will be Nov. 6.

General Telephone Co. of California (12/11)
Sept. 27, 1961 it was reported that this company plans to sell $20,000,000 of bonds in December. **Office**—2020 Santa Monica Blvd., Santa Monica, Cal. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.-Equitable Securities Corp. (jointly); White, Weld & Co.-Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp. **Bids**—Expected Dec. 11.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and N. Y. C.

National Newark & Essex Banking Co.
Oct. 18, 1961 it was reported that stockholders are being offered the right to subscribe for 100,000 additional shares on the basis of one new share for each 10 held of record Oct. 10, with rights to expire Oct. 31. **Price**—$35. **Office**—744 Broad St., Newark, N. J. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

Natural Gas Pipeline Co. of America
Oct. 3, 1961 it was reported that this subsidiary of Peoples Gas Light & Coke Co., plans to raise $50,000,000 of new money within the next six months. A company spokesman stated that it may be a preferred stock, debenture and bank loan combination. **Office** — 122 So. Michigan Ave., Chicago, Ill. **Underwriters**—To be named. The last public financing on Oct. 19, 1960 was handled by Halsey, Stuart & Co. Inc., Dillon, Read & Co., and associates.

Nautec Corp.
Oct. 10, 1961 it was reported that stockholders are to vote Nov. 1 on authorizing the company to issue up to $4,000,000 of convertible debentures which would be offered on a pro-rata basis to common stockholders. **Business**—Manufactures parking meters, truck winches, fibreglass boats, steel towers, etc. **Office**—11801 Mach Ave., Detroit, Mich.

New England Electric System
Oct. 2, 1961 it was reported that this company plans to sell additional common stock to stockholders through subscription rights, early in 1962. **Office**—441 Stuart St., Boston, Mass. **Underwriters**—To be named. The last rights offering in April 1958 was underwritten by Carl M. Loeb, Rhoades & Co., Ladenburg, Thalmann & Co., and Wertheim & Co., N. Y.

New World Laboratories, Inc.
Aug. 22, 1961 it was reported that a "Reg. A" will be filed shortly covering 100,000 common shares. **Price**—$3. **Business**—The manufacture of cosmetics. **Proceeds**—For purchase of equipment and inventory and general corporate purposes. **Office**—Washington, D. C. **Underwriter** T. Michael McDarby & Co., Inc., Washington, D. C.

New York Telephone Co. (1/9/62)
Oct. 2, 1961 it was reported that this company plans to sell $60,000,000 of mortgage bonds in January 1962. **Proceeds**—For debt repayment and construction. **Office**—140 West St., N. Y. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc., and Morgan Stanley & Co. **Bids**—Expected Jan. 9, 1962.

• **Pacific Northwest Bell Telephone Co.**
Aug. 25, 1961 it was announced that this company plans to sell an additional 12,990,510 common by June 30, 1964, and several issues of debentures to refund a $200,000.000 4½% demand note issued to Pacific Tel. & Tel. **Office**—1200 Third Ave., Seattle, Wash. **Underwriters**—For the stock: None; For debentures: (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in the late Fall, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

Penthouse Club, Inc.
June 1, 1961 it was reported that this company plans to issue 60,000 common shares. **Price**—$5. **Business**—The operation of dining clubs. **Proceeds**—For expansion and working capital. **Office**—15th and Locust St., Philadelphia. **Underwriter**—To be named. **Registration** — Expected about Dec. 1.

Public Service Co. of Colorado
Aug. 22, 1961 it was reported that the previously announced plan to sell about $20,000,000 of common stock to stockholders through subscription rights had been postponed until about June 1962. **Office**—900 15th St., Denver, Colo. **Underwriter** — To be named. The last equity financing was handled on a negotiated basis by First Boston Corp.

Dividend Advertising Notices Appear on Page 16.

Roth Greeting Cards Co.
Oct. 18, 1961 it was reported that this company is planning its first public sale of common stock. **Office**—Glendale, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif.

San Diego Gas & Electric Co.
Sept. 12, 1961 it was reported that this company plans to sell about 500,000 common to stockholders in mid-1962 to raise some $17,500,000. **Office**—861 Sixth Ave., San Diego, Calif. **Underwriter**—Blyth & Co., Inc., N. Y.

Shenk Industries, Inc.
Aug 22, 1961 it was reported that this company plans to sell about $750,000 of common stock. **Business**—The re-manufacture and distribution of automobile parts. **Proceeds**—For the repayment of loans and expansion. **Office**—Columbus, O. **Underwriter**—Rodetsky, Walker & Co., Inc., Jersey City, N. J.

Silo Discount Centers, Inc.
Sept. 6, 1961 it was reported that company plans to sell about $1,000,000 of common stock. **Business**—The operation of a chain of hard goods, discount department stores **Office** — Philadelphia, Pa. **Underwriter** — Rodetsky, Walker & Co., Inc., Jersey City.

Sonic Systems, Inc.
Sept. 13, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 common. **Price**—$2. **Business**—The manufacture of ultra-sonic cleaning equipment, systems and transducers. **Proceeds**—For expansion and working capital. **Office**—1250 Shames Dr., Westbury, N. Y. **Underwriter**—Keene & Co., Inc., N. Y.

Southern California Edison Co.
May 23, 1961 it was reported that this company will need an additional $35,000,000 to finance its 1961 construction program. No decision has yet been made as to whether the funds will be raised by bank loans, or the sale of preferred stock or bonds. **Office**—601 West Fifth St., Los Angeles, Calif. **Underwriter**—To be named. The last sale of preferred stock on May 12, 1948 was handled on a negotiated basis by First Boston Corp., New York City and associates. The last sale of bonds in April 1961 was bid on by Blyth & Co.; First Boston Corp., Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Equitable Securities Corp. (jointly).

Southern Natural Gas Co.
Oct. 17, 1961 it was reported that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds early in 1962. **Proceeds** — To retire bank loans. **Office**—Watts Bldg., Birmingham, Ala. **Underwriter**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Pacific Co. (11/29)
Oct. 16, 1961 it was reported that this company plans to sell $7,905,000 of equipment trust certificates. **Office**—165 Broadway, N. Y. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—Expected Nov. 29 at 12 noon (EST).

Southern Railway Co. (11/14)
Sept. 19, 1961 it was reported that this company plans to sell $4,200,000 of equipment trust certificates in November. **Office**—70 Pine St., N. Y. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—Expected Nov. 14.

Standard & Poor's Corp.
Oct. 13, 1961 it was reported that this company will file a registration statement covering an undisclosed number of common shares. **Business**—Furnishes statistical and investment advisory services. **Office**—345 Hudson St., N. Y. **Underwriter**—Smith, Barney & Co., N. Y.

Subway Bowling & Recreation Enterprises, Inc.
Aug. 22, 1961 it was reported that this company plans to sell about $1,200,000 of common stock. **Business**—The company has an exclusive franchise from the City of New York to build bowling and recreation centers in the subways. **Proceeds**—To build the first three centers. **Office**—New York City. **Underwriter**—Rodetsky, Walker & Co., Inc., Jersey City.

Teeco Automated Systems, Inc.
Aug. 9, 1961 it was reported that a ("Reg. A") will be filed shortly covering 100,000 common shares. **Price**—$3. **Business**—The custom, design, manufacture and installation of automated material handling systems for large wholesale and retail establishments and industry. **Proceeds** — For expansion. **Office** — 42-14 Greenpoint Ave., Long Island City, N. Y. Underwriter—Herman & Diamond, New York.

West Penn Power Co. (3/5)
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Drive, Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers; Eastman Dillon, Union Securities & Co., and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected March 5, 1962.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Farm real estate prices in this country continue to increase. Voluntary sales for such land has been at a low level for the past several years. As a matter of fact, such sales have been at the lowest level in nearly 30 years.

The rate of farm foreclosures and other distress sales continue at the same low degree that has prevailed since the early 1940's.

The Economic Research Service of the Department of Agriculture shows that during the past 10 years, farm real estate (land, buildings and improvements) have increased about a third more than the consumer price index. This is equivalent to an average increase of 3% a year in purchasing power.

If one adds the average annual returns from production of about 5%, the total return to landowners has been about 8% a year. However, there is a hitch here. Returns from production have declined to an anaual rate of about 4% a year from 1955-60. In 1960 the decline was only 3.3%.

Land vs. Common Stocks

Farmland has long been regarded as a favorable or desirable hedge against inflation. However, the records of the Department's Economic Research Service shows that its rate of capital appreciation has been considerably less than has occurred with common stocks.

The net gain in purchasing power of 500 common stocks averaged 19.2% annually for the 1950-60 period, compared with 3% for farmland. Dividends from stocks averaged a little less than did annual earnings from farmland, but the combined return from capital gains and from dividends was about three times that from farmland.

On the other hand, however, tax savings and other tax-shelter features of landownership have provided a third type of return to owners in certain tax situations that is not available to owners of common stocks. Thus, the opportunity to treat certain expenditures as current operating expenses under Federal income tax laws, along with depreciation allowances for farm structures and equipment, can result in a lower tax rate on farm income than on income from dividends.

The research showed that on July 1 farm real estate in Florida (all farmlands and improvements) with an average market value of $667 was the highest in any state in the Nation. The average in North Carolina was second highest at $588 an acre; California third with an average of $470, and Alabama fourth with an average of $465.

Yearning for Land Ownership

High levels of employment and nonfarm incomes of the last two decades has made it possible for many city workers and business and professional men to fulfill a desire to own land. This may take the form of a farm to be operated strictly as a business venture, a "hobby" farm that carries with it prestige and country-estate living, or a summer vacation retreat, the study shows. Opportunities for capital investment in landownership has attracted still a different type of nonfarmer demand.

Technological developments in agriculture accelerated the migration pattern from farms to cities. As a result, this has tended to generate a continuing interest in the ownership of farmland on the part of urban residents with farm backgrounds. This desire is helped by inheritance of a part of, or an interest in, the home farm which offers a choice of continued ownership as an absentee owner or sale. Sentimental attachment, along with a plan, or a hope, to return in later years often leads to retaining ownership or the purchase of the interests of other heirs.

Professional farm management services that have become more widely available in recent decades make possible successful operation of farms by absentee owners, either on a permanent basis or until such time as the owner wishes to take over the operations himself.

Trend Toward Bigger Farms

Strong demands for farmland for subdivisions, shopping centers, and other nonfarm uses has generated substantial speculative interest in farmland. For this reason, it has resulted in rising prices. Indications are there will be continued speculative interests as the population continues to increase.

Farmers have tripled their output per manhour since 1940. Agriculture is a vast enterprise in our country. It includes some 4,000,000 farmers and their families. Because production continues to increase per acre, it does not of course take as many acres to produce the great abundance to feed and clothe the population as it once did.

The number of farmers has declined, but the farms are getting bigger and bigger as the farms become more and more mechanized by agricultural technology.

Department of Agriculture economists point out that few agricultural uses of land can compete successfully with nonfarm uses. One reason for this is because of the great production per acre today as compared with any given period prior to World War II.

Study of Farmland Sales

A national sample of about 2,800 sales of farmland for which the intended use was for purposes other than agriculture was obtained by the Department's Economic Research Service for March, 1960 and March, 1961. The classification of nonfarm uses included several residential and comercial uses, as well as timberlands, private recreation, and public uses.

Prices ranged from less than $100 an acre for land to be used for growing pulpwood and timber and for private recreation, to $3,000 an acre or more for small acreages intended for residential and commercial purposes.

A study of some of the sales of March, 1961, showed that in most areas of the country, significantly differing levels of sales prices exist for irrigated land, nonirrigated cropland, and pasture land. Irrigated land commands the smallest premium over nonirrigated land in the Corn Belt, where differences in income between the two classes of land were relatively small in most years. Properties with buildings brought higher average prices in most areas of the country than those without buildings.

The study by the economists shows that a major share of all land purchases in several areas of the country has been for enlargment of existing farms. Nationally, 46% of the sales reported in 1960-61 were for this purpose, compared with only 26% a decade ago. Such purchases tend to be of smaller acreage than complete farm units, less frequently have buildings, and are often predominantly cropland or pasture land.

About two-thirds of the farmland buyers in this country in 1960-61 were farmers. About two-thirds of all sales involved some credit, and the average downpayment was about a third of the purchase price. Sellers continue to be the chief source of credit to finance purchases.

Expectations of further capital appreciation of farm real estate appears to be a paramount reason underlying the current demand for land. The expectations are likely to be realized.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"Ran into Herb Boople today—hadn't seen him since I talked him into investing in McDog Common."

With Oppenheimer

BETHLEHEM, Pa.—J. Ray Horne has been named Regional Representative (Allentown-Bethlehem) of the New York Stock Exchange firm of Oppenheimer & Company and its mutual fund, Oppenheimer Fund, Inc.

The newly appointed Oppenheimer Regional Executive is married and has a son. He will make his headquarters in Bethlehem. The investment firm's main offices are at 25 Broad Street, New York City.

First Monticello Branch

ELLENVILLE, N. Y.—First Monticello Corporation has opened a branch office at 122 Canal St., under the management of Irwin Stern.

Now With L. A. Caunter

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Paul G. Campbell is now affiliated with L. A. Caunter & Co., Park Building. He was previously with Ross, Borton & Co., Inc.

Joins Gunn, Carey Staff

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Clemens E. Gunn, Jr., has joined the staff of Gunn, Carey & Roulston, Inc., Union Commerce Bldg., members of the Midwest Stock Exchange.

With Cruttenden, Podesta

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis.—Martin Nadler has become connected with Cruttenden, Podesta & Co., 710 North Water Street. He was previously with Walston & Co., Inc.

Form Maurice Norman Co.

CHICAGO, Ill. — Maurice Norman & Co. has been formed with offices at 2641 West Peterson, to engage in a securities business. Maurice Dorman is a principal of the firm.

Davis, Pearson Branch

HUNTSVILLE, Ala.—Davis, Pearson & Perkins, Inc., has opened a branch office at 912 Bob Wallace Avenue, Southwest, under the management of William H. Ashley.

COMING EVENTS

IN INVESTMENT FIELD

Oct. 26, 1961 (Louisville, Ky.)
Ohio Valley Group of Investment Bankers Association annual meeting.

Nov. 26-Dec. 1, 1961 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel and the Diplomat Hotel.

Dec. 4-5, 1961 (New York City)
National Association of Mutual Savings Banks 15th annual midyear meeting.

March 30, 1962 (New York City)
New York Security Dealers Association 36th Annual Dinner at the Waldorf Astoria Hotel.

April 8-10, 1962 (San Antonio, Tex.)
Texas Group of Investment Bankers Association of America, annual meeting at the St. Anthony Hotel.

May 6-9, 1962 (Seattle, Wash.)
National Association of Mutual Savings Banks 42nd annual conference at the Olympic Hotel.

Sept. 23-26, 1962 (Atlantic City, N. J.)
American Bankers Association annual convention.

April 27-May 1, 1963 (Boston, Mass.)
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.

Geo. K. Baum Denver Office

DENVER, Colo.—George K. Baum & Co. of Kansas City, members of the Midwest Stock Exchange, have announced the acquisition of Walter & Co. and the association with them of Gene Hufford as Western States Regional manager with offices at 818 17th St.

Joins George, O'Neill

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Clarence L. Clark has become affiliated with George, O'Neill & Co., Inc., 80 Federal Street. In the past he was with Paine, Webber, Jackson & Curtis.

Kusay Securities

HARVEY, Ill.—Kusay Securities Co. is engaging in a securities business from offices at 15801 So. Halsted. L. F. Kusay is a principal of the firm.

Forms K. Lawrence Co.

LOUISVILLE, Miss.—William K. Lawrence is conducting a securities business from offices at 513 So. Columbus Ave., under the name of K. Lawrence and Co.